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U.S. Cuts Aid to Sudan

Concern Grows About Political, Economic Ills

By David Ottaway

WASHINGTON — The United States has suspended payment of nearly \$200 million in economic assistance to Sudan, its largest African recipient of aid, because of the steady deterioration in the economic and political situation there. The decision, made late last year and not publicly disclosed, reflects a growing despair among Western donors and international aid agencies about how to deal with President Gaafar Nimeiri, who for the past several years has been bent on the Islamization of his country, apparently without regard to the economic and political cost.

U.S. officials said the decision was made only after several months of "very high-level, across-the-board attention" in the administration, involving Secretary of State George P. Shultz and the National Security Council, and that the Sudanese were informed of it in mid-December.

"There was a consensus but not a happy consensus," one State Department source said. "But there was no other choice."

An economic rescue package put together in 1982 by the International Monetary Fund, the World Bank and Western donors worth \$1.5 billion annually in aid and deferred debt payments already had fallen apart because Sudan was \$100 million in arrears to the IMF and \$264 million on its entire 1984 debt service.

Mr. Nimeiri, regarded as one of the United States' closest African friends, has become a major problem for the Reagan administration, which views his country as strategically important to its African and Middle Eastern policies. Mr. Nimeiri was one of three Arab League leaders who supported the 1978 Camp David Middle East accord and Egypt's peace treaty with Israel a year later.

He also has offered the use of Sudan's air bases and naval facilities for the U.S. Central Command forces and assisted in the airlift of thousands of Ethiopian Jews, known as Falashas, to Israel despite the embarrassment that last month's disclosure of this secret operation caused his government.

Now, however, Mr. Nimeiri faces widespread opposition from a broad spectrum of foes, a fast-spreading Libyan- and Ethiopian-backed insurgency in the south, the influx of a half-million refugees from drought-stricken neighboring states, falling health and an economic mess that is probably the worst in the nearly 16 years he has been in power.

Furthermore, Mr. Nimeiri, who plans to visit Washington next month, has set his mind on imposing the sharia, or Islamic law, in such a rigorous manner, including the public amputation of thieves' limbs, that the State Department during the past nine months repeatedly has complained publicly about violations of human rights.

The economic and political woes

(Continued on Page 2, Col. 1)



Jubilant residents of south Lebanon climbed on a Lebanese Army tank after it moved across the Awali River into vacated Israeli positions. The Israeli Army pulled out of the Sidon area at the start of its withdrawal from Lebanon.

Israel Starts Withdrawal From Southern Lebanon

By Jonathan C. Randal
Washington Post Service

SIDON, Lebanon — Israeli troops completed the first phase of a planned three-stage withdrawal from southern Lebanon on Saturday, and thousands of jubilant citizens cheered the Lebanese Army that marched in to fill the vacuum.

The pullback, which was completed two days ahead of schedule, took place without incident, Israeli

officials said. It marked the end of 32 months of occupation of southern Lebanon's largest city.

In addition to the 1,800 men of the army's largely Shiite 12th Brigade, Lebanese also cheered the National Resistance, the previously anonymous Shiite underground. Their increasingly lethal attacks influenced the Israelis to accelerate their withdrawal.

[Crowds in Sidon hoisted President Amin Gemayel and Prime Minister Rashid Karami shoulder-high Sunday as they joined in celebrations in the city, Reuters reported. The two leaders, who flew in from Beirut, wept with joy as they received a tumultuous reception from thousands of residents shouting: "Long live Lebanon! Long live Gemayel! Long live the resistance!"

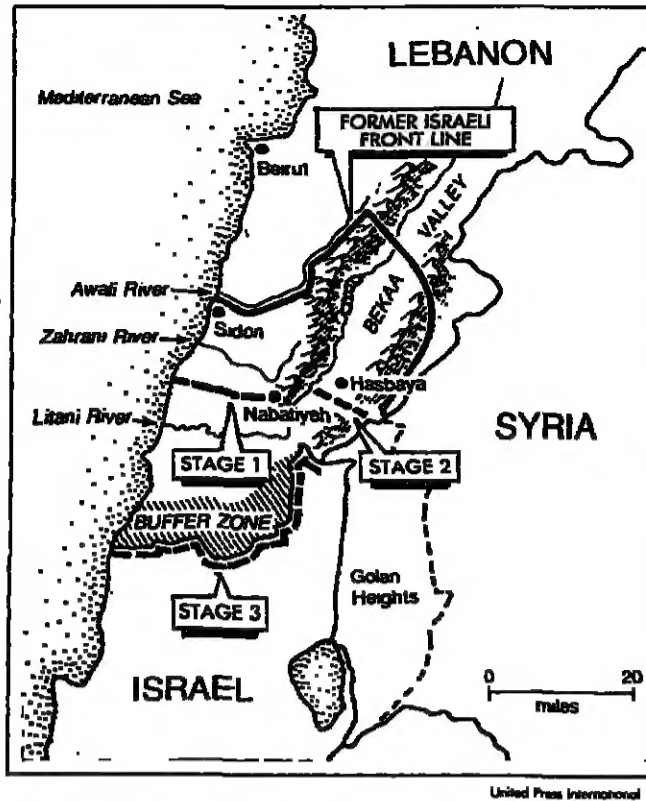
[Mr. Gemayel praised "the honorable national resistance movement" for driving Israeli forces from the Sidon area. He told local officials "the great blessed day constitutes the first step on the road to liberating the south" from Israel.]

By Saturday night, Lebanese troops were deployed near the Zahrani River, four miles (six kilometers) south of Sidon, and at a Kfar Falous, five miles inland in the foothills of the Mount Lebanon range.

First timidly, then with growing fervor, rejoicing residents of this capital of the south poured into the streets. Men, women and children waved red, white and green Lebanese flags and clambered aboard tanks, armored personnel carriers and army trucks as cars honked.

The civilians pelted the troops with rice in a traditional Lebanese greeting. A soldier perched atop a

(Continued on Page 2, Col. 6)



The two remaining steps in Israel's planned withdrawal from Lebanon are a pullback from the eastern Bekaa Valley and the return of all its troops to Israeli soil.

Syria Is Seen to Hold Key to the Future of New Middle East Peace Diplomacy

By Don Oberdorfer

WASHINGTON — The immediate future of new Arab diplomacy with Israel hinges on decisions to be made in Syria, according to administration officials monitoring a week of swift changes in the Middle East situation.

Syria's official media have reflected strong opposition to efforts by King Hussein of Jordan and the Palestine Liberation Organization chairman, Yasser Arafat, to unite for direct negotiations with Israel. The important question is how effective and sustained Syria's opposition will be.

As Washington edged cautiously toward renewed engagement in Arab-Israeli negotiations, the State Department sent two friendly diplomatic signals to Syria about U.S.

policy toward the Golan Heights and the return of a kidnapped U.S. journalist from Syrian-controlled eastern Lebanon.

U.S. policy-makers have been watching with unusual interest a series of public objections by several prominent PLO figures.

These sources said that Mr. Arafat seeks solid backing for the Palestinian concessions aimed at getting the United States involved in the peace process again and at starting broad negotiations with Israel.

The opposition that Hussein and Mr. Arafat encounter will be affected by Syria, which retains influence with elements of the PLO.

To improve relations with Syria, the State Department said in a statement last week that the peace-for-territory bargain in the Middle East, encompassed in United Na-

tions Security Council Resolution 242, applies to all Israeli fronts "including the Golan Heights" captured by Israel in the 1967 war.

The statement by the State Department spokesman, Bernard Kalb, was intended as a signal to Syria, according to officials, although in substance it restates an established U.S. position.

Israeli policy-makers, especially those from the Likud bloc whose government annexed the Golan Heights in 1981, strongly objected to the U.S. statement.

Foreign Minister Yitzhak Shamir, head of the Likud faction in Israel's unity government, said that the Golan is "an inseparable part of Eretz Israel" and is not negotiable.

Not even a statement by an American official will change this, he said. Last week's reappearance of a

Cable News Network journalist, Jeremy Levin, after 11 months of captivity in Syrian-dominated eastern Lebanon gave the State Department another opportunity to speak well of the Damascus regime.

"The Syrians have played a positive role" in the effort to free Mr. Levin from his captors, believed to be pro-Iranian terrorists, a State Department spokesman, Edward Djerjian, said Friday.

U.S. relations with Syria, which is armed and backed politically by the Soviet Union, have been poor throughout the Reagan administration. Syria blocked implementation of the U.S.-sponsored Israeli-Lebanese accord of May 17, 1983, and was accused of masterminding military and terrorist opposition that caused the withdrawal of U.S. troops from Beirut a year ago.

At the height of U.S. military involvement late in 1983, Syrian anti-aircraft batteries in Lebanon fired on U.S. reconnaissance aircraft and U.S. planes and ships attacked Syrian positions in return.

Soviet support for Syria and the Soviet position on the Jordan-PLO "framework for joint action" are among the expected topics for U.S. and Soviet diplomats meeting Tuesday and Wednesday in Vienna to discuss the Middle East.

The State Department, mindful of fears that Washington and Moscow might make deals at the expense of regional powers, insists that the talks will be only "an exchange of views."

According to an Arab diplomat familiar with Syrian politics, Mr. Assad argues that peace gestures

(Continued on Page 2, Col. 3)

Kentucky Man Receives The 3d Artificial Heart

United Press International

LOUISVILLE, Kentucky — Murray P. Haydon, a retired auto worker who had been given only two or three more weeks to live, received the world's third permanent artificial heart on Sunday in an operation completed more quickly than those of his two predecessors, and without the complications.

The surgical team headed by Dr. William C. DeVries spent three hours, 28 minutes removing the failing heart of Mr. Haydon, 58, and replacing it with a twin of the Jarvik-7 heart that has kept William J. Schroeder alive since Nov. 25.

"His skin is warm and dry and his color is excellent," Dr. Allan M. Lansing, medical director of Humana Heart Institute, said after the implant.

Dr. Lansing said the procedure went without complication.

A Humana spokesman said, "The heart is working perfectly, cardiac output is good, his vital signs are stable and everything appears to be in great shape."

Dr. Lansing said the mechanical

heart pumped at "a slow 50 beats per minute" and the pulse in Mr. Haydon's arms and legs was strong.

Mr. Haydon was moved from the hospital operating room into an intensive care unit.

Dr. DeVries also implanted the first two mechanical hearts — taking seven and one-half hours with Dr. Barney B. Clark, a dentist, in a 1982 Salt Lake City operation and six and one-half hours with Mr. Schroeder. Scar tissue from previous surgery slowed Mr. Schroeder's operation. Dr. Clark lived 112 days with the heart.

Mr. Haydon had not undergone any previous heart surgery, so Dr. DeVries and colleagues were able to make better progress with the third implant patient.

"He had no significant bleeding" either during the operation or immediately after, Dr. Lansing said.

Unlike Mr. Schroeder, who is a diabetic, and Dr. Clark, who had suffered from lung problems, Mr. Haydon was in good health except for the weakening heart muscles and kidney problems.



Murray P. Haydon, third recipient of a permanent artificial heart, held his new grandson on Friday in Louisville, Kentucky. The infant's father, Derek Haydon, is at right.

Walesa Vows to Oppose Increase in Food Prices

Reuters

WARSAW — Lech Walesa vowed Sunday to mount a "general counteroffensive" against food price increases in Poland despite threats by the Communist authorities to jail him for illegal union activity.

He told 1,000 cheering supporters of Solidarity, the banned free trade union, after a church service in Gdansk.

"I am going to work tomorrow and, irrespective of whether I am arrested or not, everyone knows what he must do on Feb. 28. It must be a success."

The day has been chosen by Solidarity for nationwide protests, including a 15-minute general strike, against price increases the government intends to impose next month.

Mr. Walesa was summoned by the public prosecutor in Gdansk on Saturday and warned that he faced charges carrying up to five years' imprisonment if the union did not call off its action. The charge in question was "fulfilling a leading role in a union which was dissolved."

It was the sharpest warning that he had received from the authorities since he was released from 11 months' internment which began when Solidarity was suppressed under martial law in 1981.

Western diplomats said that the threat to imprison him and similar threats made against activist Roman Catholic priests marked an escalation of the government's drive to muzzle opposition.

Mr. Walesa's summons followed the arrests last week of Adam Michnik, Bogdan Lis and Wladyslaw Frasyniuk, all members of Solidarity's high command who were released from prison under a political amnesty in 1984. Three other activists who also were detained last week have been released.

Mr. Walesa said that he rejected the prosecutor's warning and told him: "I will continue my activities and will do so immediately."

He also issued a statement in which he condemned the arrests.

The government is on the brink of a confrontation with the church after Adam Lopuski, the minister of religious affairs, said that the authorities would not shrink from jailing outspoken anti-Communist clergies.

Cardinal Jozef Glemp, the Polish primate, responded by promising protection for priests although he said that the church would continue to dissuade them from involvement in what he called pure politics.

Tension with the church has been increasing since the murder last year of a pro-Solidarity priest, Jerzy Popieuszko. Four members of the security police were convicted and jailed this month for their roles in the killing.

Diplomats said that the tough stance toward the church and opposition adopted by General Wojciech Jaruzelski's government was partly to reassure the Soviet Union that the trial of the four did not indicate a slackening of party authority.

The government has chosen to crack down on preparations for the Feb. 28 protest despite Solidarity's difficulties in mustering public support in recent months.

INSIDE



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BUSINESS/FINANCE

■ Britain has sued Arthur Andersen, the accounting firm for De Lorean Motor Co. Page 7.

Overcrowding and Pollution Threaten to Turn Florida Into Paradise Lost

By Bill Peterson

WASHINGTON Post Service

ORLANDO, Florida — Every winter, Florida beckons seductively. Come to the Sunshine State, America's fantasy land, a place of sand and palm trees, oranges and shuffleboard, alligators and Mickey Mouse, the haven of the retired.

Come to Florida, but be ready for the realities of the 1980s.

Be ready for traffic jams and lackluster, drug busts and pollution, eroding beaches and water shortages, 30,173 billboards and 374,254 mobile homes, highways and real estate bucksters.

Growth has caught up with Florida, and many here fear the state is rapidly becoming a paradise lost. There has been a huge population explosion. In 1940, fewer than two million people lived in Florida. Now there are 11 million. In addition, 38.7 million tourists visit annually.

About 3.8 million people are expected to move here by the year 2000. Of the 10 fastest-growing metropolitan areas in the United States, five are in Florida. Hardly anyone thinks it is possible to shut off the flow of people, but "growth management" has become the state's hottest issue. And politicians are feeling the heat.

"There has been a revolution in thinking about growth," said Governor Robert Graham. "We have a fundamental choice to make as Floridians. What kind of state do we want Florida to be?"

Jon Mills, Democratic leader in the state House of Representatives, agreed.

"We are a magnet for our own destruction," he said.

"People are going to get tired of seeing the billboards and subdivisions. The state's economy and quality of life are at stake."

Not long ago such talk would have been dismissed as the rantings of crazed environmentalists. Florida, after all, has long been a land of go-go growth, a real estate developer's paradise.

But events in the last five years have spotlighted the fragile nature of the Florida environment. Nature and humanity almost appear to be conspiring against the promised land.

In recent months alone, for example, the following occurred:

■ A record-breaking January cold snap, called "the freeze of the century" by the state agriculture commissioner, destroyed about 90 percent of Florida's orange and grapefruit crop. It was the fourth freeze in five years in some areas, and may have redefined the boundaries of the citrus belt.

■ Mile after mile of citrus groves along the Orange Blossom Parkway north of Orlando stand dead and barren. Many citrus growers say they will not replant trees killed by the freeze. Some growers hope to sell their land to developers, which could add to congestion and the population explosion.

"Our No. 1 crop now is Yankies," said Henry Swanson, a retired Orange County agriculture extension agent. "We used to pick oranges. But now we pick Yankies. They're easier to zero in on and they don't freeze."

■ A rash of brush fires has burned 120,000 acres in south Florida. A fire earlier this year burned out of control for four days, killing a forest ranger, threaten-

ing dozens of homes and charring 10,000 acres of cypress swampland. Environmentalists said the fire was directly related to careless development of the 1960s, which lowered the water table.

■ A thousand people were evacuated from their homes on a 10-mile (16-kilometer) stretch of ocean front near Vero Beach in November when heavy winds battered the coast. Roads were flooded. High seas destroyed a pier, a restaurant, dozens of beach cabanas and part of a motel. It also grounded a cargo ship.

The damage raised fears about what would happen in a more serious storm. Florida has not had a major hurricane since the hurricane designated Betsy killed 13 and destroyed \$139 million in property in 1965. Many people worry about how well structures built during the last 20 years would weather hurricane-force winds.

These are scattered incidents, but combined with other long-term development-related problems they have produced widespread public uneasiness.

Florida has serious water quality and supply problems. Officials have found a potpourri of pollutants seeping into the two giant aquifers on which much of the state depends for drinking water, including salt water, industrial chemicals and septic tank leakage.

"I've been telling people for years that we have good news and bad news about water," Mr. Swanson said. "The good news is that we're all going to be drinking sewage effluent. The bad news is we might not have enough to go around."

Population growth will add pressure on land and water. By 1995, Florida will need 1.9 million more

homes, 333 million gallons of fresh water daily and a way to process 6.3 million more tons of solid waste annually, according to state government estimates.

In 1975, the Florida legislature required local governments to devise growth plans. But The Orlando Sentinel reported in December that an examination of 500 land-use changes in Orange and Seminole counties "shows a pattern of concessions to developers and an absence of long-range planning."

Other states were settled by immigrants seeking land, gold or religious freedom. In Florida's past, land developers played the key roles. The state's modern history began in the 1880s with resort developments by two wealthy railroad men, Henry M. Flagler and Henry B. Plant. Miami was a small coastal village until the 1890s when Flagler built a railroad line and hotel there.

Florida has taken several major steps to protect its environment in recent years. In 1983, it passed a water quality act that created a \$100-million trust fund to help local governments finance sewage-treatment plants. In 1984, it passed a wetlands protection act, giving the state greater jurisdiction over swamps, marshes and flood-plain development.

The legislature is also scheduled to consider a broadly worded state plan that sets some controversial goals. Among other things, the document recommends that the state funnel 85 percent of its future population growth into existing urban areas; purchase 100 miles of new public beaches; halt destruction of wetlands; build a high-speed rail system linking Tampa Bay, Orlando and Miami; and retain prime farm land for agricultural uses.

U.S. Evaluates Chernenko Illness, Says He Is Not in Immediate Danger

By Lou Cannon
Washington Post Service

SANTA BARBARA, California — President Ronald Reagan's health, suffering from irreversible emphysema, is expected to live at least six months, according to administration estimates.

Administration officials say they believe that Mr. Chernenko's illness will not affect arms control negotiations with the Soviet Union, at least in the short run.

The U.S. view, disclosed under ground rules that permitted neither the identification of sources nor direct quotes, is that Mr. Chernenko, 73, is in control but may divert himself of some duties.

Reports have circulated that he might give up either the presidency of the Soviet Union or the post of general secretary of the Communist Party. Yielding the latter would strip him of most of his power.

U.S. officials anticipate continuity in Soviet policy. Their view is that the military, a major Soviet power center, is committed to arms control and that Mr. Chernenko's

successor would take this into account.

In addition to minimizing the effect of Mr. Chernenko's health on U.S.-Soviet negotiations, U.S. officials have noted that relations between the two countries appear to have stabilized. They anticipate that negotiations on arms control and other issues will continue throughout President Ronald Reagan's second term.

Much of the evidence that Mr. Chernenko has taken a turn for the worse is circumstantial. Speculation about his health, which has been almost constant since he took office a year ago Wednesday, revived when he failed to meet Tuesday with Prime Minister Andreas Papandreu of Greece.

Greek diplomats had expected that Mr. Papandreu would be granted an interview. When he was not, it was suggested that Mr. Chernenko's health was worse than had been thought.

But U.S. officials are satisfied that a report, published in West Germany, that Mr. Chernenko had

suffered a stroke is untrue and believe that his health is declining steadily but slowly, as is customary with emphysema. Officials said the best administration judgment was that Mr. Chernenko could have only six months to live, but there is no assurance that his debilitating disease will move at a predictable rate.

Emphysema, according to standard medical references, is a common, usually irreversible, often fatal disease in those whose lungs have been exposed to irritants such as smoke or chemicals.

Speculation about a sudden downturn in Mr. Chernenko's health was fueled last week when a Soviet cardiologist, Dr. Evgeny Chazov, who was physician for President Leonid I. Brezhnev before his death in 1982, returned to Moscow from a speaking tour in the United States. Other Soviet doctors in his delegation continued their tour.

But the State Department and Dr. Chazov's hosts in the United States said that Dr. Chazov's return had been planned several weeks earlier.

Dr. Chazov, head of a branch of the Ministry of Health that looks after the health of Soviet dignitaries, was in the United States as the guest of doctors campaigning against nuclear war.

A State Department spokesman said his agency had been told by the Soviet Embassy that Mr. Chernenko's doctor hardly would be touring the United States while his patient lay ill.

■ **Gromyko to Visit Italy**

The Tass press agency said Sunday that Foreign Minister Andrei A. Gromyko would visit Italy later this month, a possible sign that Soviet leaders do not fear an imminent crisis related to Mr. Chernenko's health. The Associated Press reported from Moscow.



Jacob Nepamoudou, a Kanak leader, being helped after he was injured fighting with police near Thio, New Caledonia.

11 Injured in New Caledonia Fighting

REUTERS

NOUMEA, New Caledonia — Eleven persons were injured, two seriously, when police clashed with pro-independence militants on Sunday in the first serious outbreak of violence in more than a month, officials sources said.

Police used tear gas, concussion grenades and truncheons to disperse a group of about 50 Kanaks near the east coast town of Thio, witnesses said.

The fighting started after rightist white settlers decided to go ahead with a beach picnic in the nickel-mining town, about 60 miles (100 kilometers) northeast of the capital of the French Pacific territory.

Police escorted a convoy of more than 200 settlers to Thio, a stronghold of the pro-independence Kanak Socialist National Liberation Front, were stopped by a roadblock.

UNESCO Grants U.S. Status as Observer

By Harry Dunphy
The Associated Press

PARIS — UNESCO's executive board ended a five-day meeting early Sunday after agreeing to grant observer status to the United States and expressing hope that it will join the organization.

After a 20-hour session, delegates from 50 nations also reached agreement on a series of resolutions designed to help the organization deal with program and budget problems caused by the Reagan administration's decision to withdraw.

The United States quit the UN Educational, Scientific and Cultural Organization on Dec. 31, saying the 160-nation organization had become too political, too costly and too inefficient. Britain and Singapore have said they will leave at the end of 1985.

Japan said Tuesday that it would consider similar action, and a number of West European countries have indicated that they might not remain unless there were changes in UNESCO operations.

Earlier in the five-day meeting, India and Mexico proposed a compromise that would allow the United States to have an observer mission at UNESCO until the organization's rules on such status could be clarified.

The board agreed, saying the United States could do this "in accordance with general international practice" and would not have to make a formal request, according to delegates who spoke on condition that they not be identified.

They said Western nations and Japan clashed frequently during the negotiations with Soviet-bloc and Third World countries, which are in the majority at UNESCO.

The final resolutions adopted by the executive board did not mention the possibility that the board might ask the International Court of Justice in The Hague for an opinion on whether the United States was liable for its 1985 budget contribution to the organization.

A document prepared by Amadou Mahtar M'bow, UNESCO's director general, had cast doubt on whether an observer mission could be established. It also said the board might want to ask The Hague court for a ruling on the U.S. contribution.

The United States provided a quarter of UNESCO's budget, amounting to about \$43 million a year. The delegates said UNESCO's program will almost certainly have to be trimmed to meet an estimated deficit of \$28 million this year. They asked Mr. M'bow to report to them at their May meeting on any changes needed in the 1986-1987 budget.

They also urged member nations to give up any refund due and suggested that Mr. M'bow set up a fund to receive additional contributions.

France, the host nation, said it would contribute \$2 million and Pakistan offered \$50,000. The Soviet Union, Venezuela and Colombia were among a group of nations saying they would give up refunds that were expected to total \$6 million.

The board approved a proposal calling on Mr. M'bow to reduce staff.

Despite objections from the Soviet bloc, the delegates also decided on a proposal that would set priorities on UNESCO's activities with a view toward eliminating politically controversial programs.

WORLD BRIEFS

Reagan Trims European Itinerary

SANTA BARBARA, California (Reuters) — President Ronald Reagan has shortened his planned European trip in May by two days so he can be in Washington when Congress debates his 1986 federal budget, according to Larry Speakes, the presidential spokesman.

Mr. Reagan had planned to return to Washington on May 12 after a 13-day trip including the annual conference of industrial nations in Bonn on May 2-4. He will now return May 10, Mr. Speakes said Friday.

Instead of remaining in West Germany for a state visit through May 8, the president will leave two days earlier, flying to Spain. On May 8, Mr. Reagan will address the European Parliament in Strasbourg, France, avoiding dispute in West Germany over how to mark the 40th anniversary of the victory over Germany.

IRA Leader Is Denied Visa by U.S.

WASHINGTON (From Combined Dispatches) — The U.S. State Department has denied a visa to Gerry Adams, president of the political wing of the Irish Republican Army, because of his "advocacy of violence in Northern Ireland," a department spokesman said Saturday. Mr. Adams had been invited by 10 congressmen to join protests against Prime Minister Margaret Thatcher of Britain during her visit this week.

Meanwhile, in Armagh, Northern Ireland, a senior prison officer, Pat Kerr, was shot to death on Sunday as he left church after attending Mass on his 37th birthday. The IRA, later claiming responsibility, said Mr. Kerr, the security chief at the Maze prison outside Belfast, had been killed for harassing prisoners.

In Dublin, the jailed IRA kidnapper, Eddie Gallagher, suspended a hunger strike on Sunday after 39 days to allow talks to go ahead on his demands for improved prison conditions, his lawyers said. (AP, Reuters)

Bill on Tax Evasion Approved in Italy

ROME (UPI) — The Chamber of Deputies has given final approval to a bill aimed at curbing tax evasion, ending months of debate.

The lower house on Saturday voted, 255-89, with 140 abstentions, on the measure, which took nearly four months to move through the parliament. The government victory was assured when the opposition Communist Party on Saturday announced its intention to abstain in the final vote.

The Communists had approved the government moves to curb tax evasion by small independent companies, but opposed the bill through-out debate in an attempt to unseat the government of Prime Minister Bettino Craxi. The government had made the bill a major part of its austerity policies. The most debated aspect of the bill is its empowering of tax officials to assess companies for taxes if investigations indicate they are not declaring full tax liabilities.

Burt Seen as Next U.S. Envoy to Bonn



Richard R. Burt

WASHINGTON (AP) — Richard R. Burt, a State Department official who has played a major role in shaping U.S. nuclear weapons policy, is under consideration to be ambassador to West Germany, sources say.

Officials said President Ronald Reagan was considering nominating Mr. Burt to succeed Ambassador Arthur F. Burns, 80.

Mr. Burt, assistant secretary of state for European and Canadian affairs, is regarded as a proponent of negotiating arms control accords with the Kremlin. This has led to clashes with Richard N. Perle, an assistant secretary of defense, whose more skeptical view of Moscow is preferred by the Republican right wing.

U.S. Aide to Meet With Pinochet, Foes

WASHINGTON (NYT) — Reagan administration officials, citing concern about a worsening political situation in Chile, say a senior State Department official has been sent to Santiago to urge President Augusto Pinochet and opposition leaders to find a way to move toward peaceful elections.

For months, the administration has been concerned over increased acts of violence in Chile, which the United States blames both on Communist-backed terrorists and on what it regards as a repressive crackdown by the Pinochet government on opposition groups. The opposition has been calling for the resignation of General Pinochet and for an elected government. Elections are currently planned for 1990. One State Department official expressed concern that Chile could become "another Nicaragua" because of the inability of the political opposition and government to work out reforms peacefully.

Langhorne A. Motley, an assistant secretary of state for inter-American affairs, is expected to be in Chile until Wednesday.

For the Record

Pope John Paul II will receive Prime Minister Shimon Peres of Israel in a private audience Tuesday, according to a Vatican spokesman. (UPI)

Four black political prisoners serving life sentences for treason have been released under an amnesty by President P. W. Botha and 14 more are to be freed soon, South African officials said. (UPI)

Colombia's presidential press secretary was imprisoned Friday on the orders of a judge investigating the smuggling of cocaine to Spain in a diplomatic pouch, judicial sources in Bogotá said. (Reuters)

Israel Begins Lebanon Withdrawal; Beirut Troops Move to Fill Vacuum

(Continued from Page 1)

bulldozer decorated his rifle barrel with a red rose.

The National Resistance, whose men with their red, green and yellow flag were much in evidence, were expected to use Sidon and the town of Sarfand further south along the Mediterranean as staging areas for stepped-up attacks against the Israelis.

Military specialists predict that the Israelis may hasten the second phase of their withdrawal, tentatively scheduled for April, by evacuating the area around the Litani River and a pocket around Tyre as well. Instead, they would keep a line further east running through the area now patrolled by United Nations peacekeeping forces south of the Litani and then northward to Jezzine and the electronics base atop Mount Baruk.

[Israel Radio reported Sunday that Israeli troops would begin the second stage of the withdrawal in three weeks. The Associated Press reported from Jerusalem.]

Further complicating the Israeli task has been the virtual collapse of the so-called South Lebanon Army, which they clothe, arm and pay for.

The Israelis have acknowledged widespread desertions in its ranks. Other sources reported that the Israelis had told their Lebanese collaborators in Tyre to retreat to safer areas as the National Resistance has singled them out for retribution.

Within minutes of the Israeli rear guard's departure, Lebanese Army units moved in to protect the large Palestinian refugee camps of Ain Helwan on the coastal plain and Mich Mieh, atop the first hills just to the east.

As Israeli jets dropped leaflets congratulating their military on

their 32-month occupation and made screeching, low-level passes, Ahmed Hamad, a 40-year-old fisherman, said at Mich Mieh, "This is the happiest day in my life."

Complaining that until last Thursday the Israelis had fired heavy machine guns into Ain Helwan, Mohammed Abu Bilal, 25, said he was "happy they have gone, and may rockets and shells accompany them all the way back to the border."

Asked about predictions of violence between rival Palestinian groups, the Palestine Liberation Organization leader, Yasser Arafat, or his pro-Syrian ally, Mr. Bilal said: "We do not want any foreigners here. Here we are one family, like fingers of a hand."

Despite the euphoria, there are fears that clashes between rival Palestinian groups could ensue. In Tyre, such violence might ignite fighting among the various Lebanese factions.

But Saturday the mood was decidedly upbeat for Palestinians and Lebanese residents of this city of about 100,000.

"This is a victory for us," Ziad Abdel Jawad, 19, shouted as he drove north toward the Awali River bridge, where the Israelis had made Lebanese wait for days before being allowed to travel 25 miles north to Beirut. "I didn't think this would ever happen."

Watching the crowd cheer itself hoarse as the army deployed along Sidon's main street, a delighted officer said: "The army is going to be all over Lebanon. This is what the people want, and that is the way it is going to be."

Political and religious leaders worked hard to ensure that the reaction to the departure of the Israelis would be orderly.

Fuad Abu Nader, the commander of the Christian Lebanese Forces militia, said recently that the southern Christians would not leave the Jezzine area to serve as "border guards" for the Israelis along the international frontier further south. If pushed out of their homes, he said, they would go to the main Christian heartland north of Beirut.

That change of heart appeared to reflect the collapse of Israeli dreams of establishing an allied, Christian-dominated Lebanon and the Christians' own growing disillusionment with the Israelis.

■ **Shooting Because of Flag**

John Kiefer of The New York Times reported:

At least one incident marred the day. Just across the street from Phalangist headquarters in Abra, a group of about a dozen young men in civilian clothes could be seen in an alley waving automatic rifles, with another man lying on the ground.

Two journalists passing by were ordered brusquely away, but from a little way down the road they heard two bursts of fire from automatic weapons.

Three young women peered out of a shop. "A man came by and tried to fly a Palestinian flag," one said, "so they shot him."

■ **Bomb Kills Israeli**

Guerrillas exploded a 33-pound (15-kilogram) bomb in southern Lebanon on Sunday, killing the first Israeli soldier since the pull-back. United Press International reported from Tel Aviv.

The Israeli Army said the bomb exploded as a convoy passed along a road near the village of Bazzouriyeh, four miles east of the port of Tyre. It said three soldiers were wounded and one was killed by the bomb.

U.S. Concern on Sudan Brings Aid Suspension

(Continued from Page 1)

are so pervasive that the United States and Egypt, Sudan's most important allies, are finding it increasingly difficult to help Mr. Nimeiri, even though both are acutely aware that their withdrawal of support could lead to his fall and a power vacuum that could be filled easily by Libyan- and Ethiopian-backed elements hostile to U.S. and Egyptian interests.

"We're worried," remarked one frustrated U.S. official. "But to say he is unreformable and to play around with alternatives is dangerous business. He's a friend of the United States, and you can't deny all the things he's done for us."

Camp David, his refuge policy, in 1982, after the assassination of President Anwar Sadat of Egypt, the United States sharply boosted aid to Sudan with a military and economic aid program of between \$200 million and \$300 million annually, part of the larger IMF-sponsored package providing Sudan \$750 million in Western aid and \$750 million in debt relief each year.

The package involved massive rescheduling of Sudan's \$8 billion to \$9 billion accumulated debts.

Mr. Nimeiri's drive to impose Islam, which began in earnest in September 1983, soon upset Sudan's economic system as he sought to apply Islamic economic principles to taxation and the budget. By mid-1984, Mr. Nimeiri had plunged Sudan into what one official described as "a major financial crisis" and virtually all Western donors were holding back on the payment of their funds there.

"They could no longer keep to the IMF targets," said another State Department source. The IMF, in turn, ended its assistance, and the whole package fell apart.

Throughout November and early December, U.S. policy-makers dealing with Sudan debated whether to freeze the disbursement of

\$102 million in economic support funds earmarked for the 1984 fiscal year but still unpaid and what to do about the \$112 million in similar aid set aside for fiscal 1985.

Around mid-December, they decided that the United States would not go ahead with the disbursement of the money because the whole \$750-million, IMF-sponsored debt relief plan had gone awry, according to this source.

Since then, no economic support funds have been released except for two specific items — \$15 million for jute bags needed for the 1985 cotton crop and \$4.5 million for a new variety of sorghum seeds.

The "freeze," as State Department officials are calling it, has not affected either the U.S. regular economic assistance program to Sudan of \$28 million this fiscal year, the \$45 million military assistance program or the sending of emergency food to aid refugees. As of December, the United States had sent 82,000 tons of grain worth \$20 million and earmarked an additional \$50 million for food assistance this year, according to State Department officials.

The problem remains, however, of what to do about the overall economic crisis and whether to continue helping an ally that by all accounts is falling into ever deeper trouble.

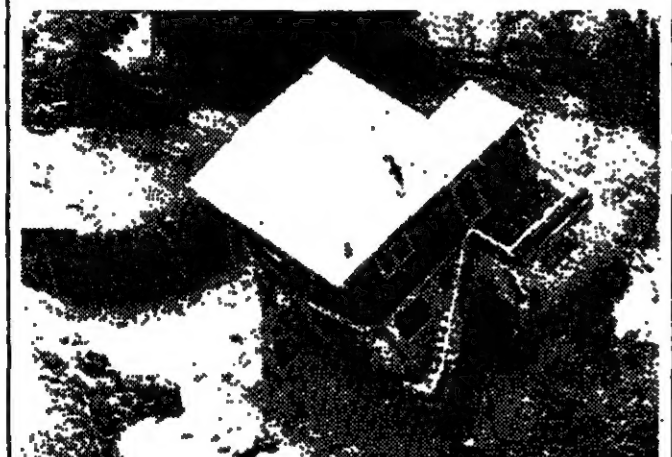
Recently, Mr. Nimeiri is said to have told a visitor that he could not accept stringent conditions in return for desperately needed foreign financial aid because of growing public grumbling about shortages.

"Any day now I expect a corporal to march in and shoot me," he was reported to have said.

Sudan was supposed to pay about \$1.5 billion this year just to service its outstanding debt and repay about \$265 million in 1984 arrears. But there is no way it can meet these obligations in its present economic condition.

The larger, long-term problem facing the Reagan administration and other Western donors is whether, and if so how, to continue aiding Mr. Nimeiri.

The consensus is that the administration will continue to support the Nimeiri government "come hell or high water," as one member of Congress put it. "The administration argues a very strong position on the Sudan and Nimeiri. It's not going to back away."



MUDSLIDE — Mud, boulders and logs slipped down a mountain near Te Aroha in New Zealand's North Island on Sunday, sweeping houses and shops through the streets of the town. At least four persons died in heavy rains and the floods and slides that followed.

EC Ministers to Discuss Spain, Cash, Farm Prices

REUTERS

BRUSSELS — European Community foreign ministers will grapple Monday with a series of disputes over the community's finances, farm prices and terms for Spanish and Portuguese entry.

Diplomats said that preparatory talks by officials last week were largely fruitless.

Prime Minister Felipe Gonzalez of Spain acknowledged after talks Saturday in Madrid with Prime Minister Bettino Craxi of Italy, the EC president, that negotiations might not be completed in time for entry by the target date of Jan. 1.

Diplomats said this had been recognized here for some months, complicating the search for a resolution of the group's financial crisis. They added that a delay would also affect Portugal's application, which is less problematic but is linked to Spain's.

West Germany insists that an agreement to boost the community's income, reached at June's summit conference at Fontainebleau, was meant to come into force only after the Spanish and Portuguese entry.

The diplomats said intensive contacts had failed to soften Bonn's stand, and that most of the 10 member states had shown little enthusiasm for alternative stop-gap measures for raising cash.

Bonn maintains that to drop its conditions would reduce the pressure for early completion of the enlargement talks and would break its government's pledge to the Bundestag that new money for the EC would not be squandered on farm subsidies.

The community has been operating on emergency financing since Jan. 1, after the European Parliament's rejection of the draft 1985 budget, which did not include adequate provisions to cover financial commitments.

The diplomats said the 10 were also divided on how to react to Madrid's rejection of the stiff terms offered for the integration of Spanish agriculture and fisheries after its entry.

Mr. Gonzalez has blamed the 10 for the delay in the entry talks. But the diplomats said that Madrid had also failed to suggest ways of breaking the impasse, raising suspicions that Spain was banking that the financial crisis would force the EC to make substantial concessions.

The community's new executive commission last week put forward new proposals to ease the Spanish objections. But these had been cold-shouldered by governments wishing to protect their own interests.

The commission is also due to submit proposals Monday for an aid plan for poorer Mediterranean regions. Greece has threatened to veto Spanish membership unless such aid is approved.

The wrangling over cash and over Spanish terms has become enmeshed with the debate over farm price proposals, which would in effect cut the incomes of the group's protected farmers for the first time in 20 years.

The diplomats said France argued there was no point in a budget agreement before the farm price proposals had been settled. France wants to see whether extra cash will be needed beyond the forecast \$1.7-billion budget shortfall.

Diplomats and officials said no acceptable ideas had emerged on how to disentangle these issues.

Syria Seen Holding Key to New Peace Effort

(Continued from Page 1)

toward Israel are doomed to failure and that the Arabs should build their military might to equal Israel's.

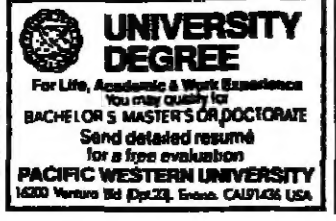
But Hussein and other pro-Western Arabs increasingly accept the

U.S. view that the only way to peace is through direct negotiations with Israel, with active participation by the United States. Secretary of State George P. Shultz called repeatedly for such face-to-face Arab-Israeli negotiations last week.

The framework agreed upon by Hussein and Mr. Arafat backs the clarity that Hussein had hoped for and which would elicit a clear-cut U.S. endorsement, according to State Department officials. But Mr. Shultz and others have described it as a step in the right direction.

In private conversation, Mr. Shultz is reported to have cautioned Saudi Arabia that the divisions on Palestinian issues within the two poles of the Israeli unity government, Prime Minister Shimon Peres's Labor Party and Foreign Minister Shamir's Likud — are such that any serious peace drive by the Arabs is likely to cause a political shake-up in Israel.

Some Arabs appear ready to bring Israel's divided sentiments about negotiations to a test. Many Israelis, as well as a succession of U.S. administrations, have asked for such negotiations for a long time.



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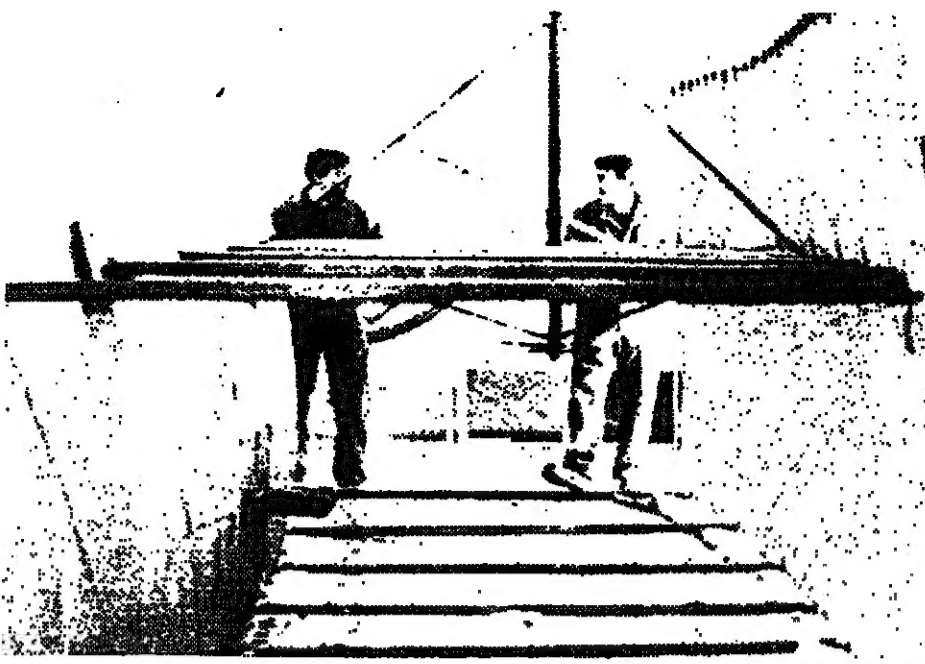
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AMERICAN TOPICS



RESTORING HISTORY — Karl Heinzl, left, and Richard Horgan, who are framed by the wings of the Wright Flyer in the Smithsonian Institution's Air and Space Museum in Washington, are members of a team of experts undertaking the first significant restoration of the aircraft that made the first powered flight. That flight by Orville Wright occurred at Kitty Hawk, North Carolina, on Dec. 17, 1903. The five-month restoration project will include replacing the wing fabric, which has deteriorated.

U.S. Students Seeking The Quicker Riches

Enrollment in U.S. medical schools, which now number 127, dropped this academic year for the first time since World War II. Enrollment in the 173 law schools fell after steady increases.

With the postwar "baby-boom" generation growing up, the number of high school graduates has been declining steadily since 1978, but not as fast as professional school enrollments.

"If only demographics were involved, we would not have seen a decline like this at this point," said Bruce Zimmer, executive director of the Law School Admission Council. "Young people are looking for short-term payoffs."

Educators say students these days seem less fascinated by professions that already appear to be overcrowded and more enticed by the chance to move quickly into fields such as computer science and engineering without spending time and money to acquire an additional degree. Nine of 10 physicians graduate in debt, owing an average of \$29,000 in student loans.

Southern Chauvinist Is Eating His Words

Last summer, when Geraldine A. Ferraro was campaigning in Mississippi as the Democratic vice presidential candidate, Jim Buck Ross, the state commissioner for agriculture and commerce, asked her if she knew how to bake blueberry muffins. "I sure can," she said. "Can you?"

"Down here in Mississippi the men don't cook," was his memorable reply. Since then, the New York Times reports, Mr. Ross has ended up eating his words, so to speak, having become a much sought-after authority on blueberry muffins. He has been asked to judge them, sample them and even cook up a batch.

He not only agreed to do so but contributed his recipe to a regional cookbook. The book contains about 200 recipes from notable Mississippi males, including the recipe for Governor Bill Allain's barbecue steak sauce.

The title, of course, is "Down

Here Men Don't Cook." It is published by Southern Images, Post Office Box 4406, Jackson, Mississippi 39216, at a retail price of \$8.95.

If You Can't Stand The Heat, Don't Run

Advice to would-be political candidates, from the new edition of "Political Campaign Craftsmanship," by Edward Schwartzman: "There are constant and urgent demands on your time, money, patience and emotions. ... You'll spend hours with people with whom you would not be found under any circumstances except for the need of campaigning. ... All of your volunteers and contributors will feel that they own a piece of you and will act accordingly. ... Your family may have to make appointments to see you. ... Your past will come under careful, hostile scrutiny. Your finances, sexual predilections and business arrangements are constantly reviewed by journalists, civic groups and actual and potential opponents seeking and sometimes creating the worst possible interpretation. ... If you have any doubts at all, you should not campaign for public office. The physical, emotional and financial costs are too high to entertain any reservations."

Short Takes

Little more than half, or 52.7 percent, of all U.S. couples of childbearing age are physically able to have children, down from 75 percent 20 years ago. That is largely because Americans increasingly are choosing sterilization to limit their families, according to the National Center for Health Statistics. Studies show wives are about twice as likely to undergo surgical sterilization as husbands.

Of the U.S. work force of 113 million, only 2.4 million are farmers, yet the growing threat of indebted farmers losing their land has gripped people around the country like few other matters. As Steven V. Roberts, writing in The New York Times, ex-

plains it, "The issue is so laden with emotion because the image of rural life, echoing with traditional values and virtues, plays a central role in American mythology. No matter that the modern farmer keeps his books on a computer and plays a stereo tape deck in his tractor. He is still the Noble Yeoman, the rugged individualist who makes democracy possible."

Notes About People

President Ronald Reagan gets far too much mail to open every envelope, that is done by dozens of staff workers. There is, however, a way to get a letter delivered unopened directly to the president's desk in the Oval Office. That is to send it to a special White House box number that the president gives only to the people closest to him.

Senator Gary Hart of Colorado, whom Walter F. Mondale defeated for the Democratic presidential nomination, is writing a critical book on military policy that will be published late this year or in early 1986, just about the time that Mr. Hart can be expected to announce whether he will run for president in 1988. He has been a member of the Senate Armed Services Committee since 1975 and is a founder of the Military Reform Caucus in Congress.

Jo Ann Smith, 45, has been elected president of the Denver-based, 230,000-member National Cattlemen's Association, representing ranchers in all 50 states. The fifth-generation Florida rancher can mend fences, round up strays and brand calves.

One version of the words reportedly addressed by John Riggs, the Washington Redskins' fullback, to Sandra Day O'Connor, the Supreme Court justice, shortly before he lay down on the floor and went to sleep at a Washington Press Club dinner last month, have been immortalized by Penguin Products of Merrifield, Virginia, which for \$10 is offering T-shirts that read, "Loosen Up, Sandy Baby."

—Compiled by ARTHUR HIGBEE

Senate Republicans Reject Plan to Abolish Small Business Agency

By Robert Pear
New York Times Service

WASHINGTON — Leading Senate Republicans have rejected President Ronald Reagan's proposals to abolish the Small Business Administration and the Job Corps and to restrict eligibility for federally guaranteed student loans. But they have agreed in principle to many other spending cuts.

In the two weeks since Mr. Reagan proposed a budget for the fiscal year 1986, which begins Oct. 1, the attention has shifted to Capitol Hill, where Senate Republicans are studying the president's plans.

Most of the 16 committee chairmen have sent letters to Senator Robert J. Dole of Kansas, the majority leader, and Senator Pete V. Domenici of New Mexico, the chairman of the Budget Committee, assessing various cuts. Mr. Dole and Mr. Domenici had asked for the letters in an effort to get the budget process off to an early start.

Senate Republican leaders have agreed on a goal of reducing federal spending by \$54 billion in the fiscal year 1986 and by a total of \$266 billion in 1986 through 1988.

The letters to Mr. Dole and Mr. Domenici represent the first efforts by committee chairmen to reach this goal. They illustrate basic agreement on the need to reduce the deficit but not necessarily in the ways proposed by the president.

Senate Republican leaders said last week that they would propose eliminating the 1986 cost-of-living adjustments in many benefit programs, including Social Security.

Republicans hold 53 of the 100 Senate seats, and the Senate committee chairmen are all Republicans.

The main responsibility for the budget has fallen to Senate Republicans at this stage because the House of Representatives wants the Senate to take the first action on the budget. Democrats insist that the Republicans take the lead.

The Budget Committee recommends levels of spending for the entire government and for specific activities such as the military, education, health and agriculture. The recommendations guide Congress when it votes on appropriation bills later in the year.

Republicans on the Senate Finance Committee have prepared a detailed list of legislative proposals that could, over the next three years, save \$63.3 billion in programs under the committee's jurisdiction. The programs include Social Security and Medicare and Medicaid, the health programs for 30 million elderly and 22 million low-income people.

Senator Lowell P. Weicker Jr. of Connecticut, chairman of the Committee on Small Business, and Senator Dale Bumpers of Arkansas, the committee's ranking Democrat, have introduced a bill that would reduce the Small Business Administration's \$726-million budget by more than 35 percent next year.

But Mr. Weicker adamantly opposed the president's proposal to abolish the agency and members of the Budget Committee said they would not adopt it.

The Reagan administration's "shortsighted effort to abolish SBA makes no sense," Mr. Weicker said in his letter. "It would eliminate the only agency in the executive branch whose sole mission is to promote and assist the nation's 14 million small businesses."

The White House contends that most small businesses do not require the agency's assistance. David A. Stockman, director of the Office of Management and Budget, said last week that the Small Business Administration was "a billion-dollar waste, a rat hole."

Senator Orrin G. Hatch of Utah, chairman of the Committee on Labor and Human Resources, said he strongly opposed elimination of the Job Corps, a training program created in 1964.

His committee supervises that program, and his position makes it unlikely that the Senate will seek to abolish it, according to members of the Budget Committee. Several other conservative Republicans have joined Democrats in defending the Job Corps.

Senator Robert T. Stafford of Vermont, chairman of the Labor and Human Resources Subcommittee on Education, has forcefully rejected the president's proposal to deny guaranteed loans to college students from families with adjusted gross income of more than \$32,500 a year. He also criticized Mr. Reagan's proposal to establish a \$4,000 annual limit on all types of federal aid, including grants and loans, for any one student.

Senator Bob Packwood of Oregon, chairman of the Finance Committee, said in a letter to Mr. Domenici that "we will meet our responsibility for achieving \$63.3 billion of spending cuts over the three fiscal years in question. If all other major committees agree to meet the cuts required of them."

In his letter, Mr. Packwood did not specify how the savings would be achieved. But details of the proposals were obtained from members of the committee.

By far the biggest item on the list was the omission of the 1986 cost-of-living increase for 36 million Social Security beneficiaries. The committee estimated that that would save \$5.9 billion in the fiscal year 1986 and a total of \$23.5 billion in 1986-88, assuming the annual adjustments resume in 1987.

The list includes these proposals:

- Freezing Medicare payment rates for hospitals in 1986 at 1985 levels.

- Continuing, for a second year, the freeze in Medicare payment rates for physicians.

- Limiting federal grants to the states for Medicaid.

- Reducing special Medicare payments to teaching hospitals for costs associated with the training of doctors.

- Increasing premiums and deductibles for Medicare insurance covering services by physicians.

- Ending the federal revenue-sharing program, which distributes funds to counties, cities and towns, at the end of the 1986 fiscal year.



Paul G. Kirk Jr.

Democrats Losing South, Kirk Is Told

Washington Post Service

ATLANTA — Paul G. Kirk Jr., chairman of the Democratic National Committee, has met with party leaders of the 13 Southern states, many of whom opposed his election, and was warned that the U.S. national party is weakening strong state and local parties.

Ten state party chairmen were among about 50 people attending the meeting on Saturday. They said a major problem is that the national party is perceived as being captive to special interests, some of which were instrumental in Mr. Kirk's election as chairman.

Mr. Kirk said the proliferation of party caucuses "makes diversity a weakness. And if caucuses are a reflection of politics by separation, that is a formula for defeat."

"We can't succeed if we turn our backs on the coalition that produced victory in the past," he said. "But if we don't succeed as a whole, then no element of the party does."

The Southerners urged the national party to concentrate on issues of major concern to average Americans. They said the party has nominated presidential candidates too liberal to be elected. And they emphasized moderate positions on the economy, a strong national defense and a competitive posture in international trade.

"The Democratic Party in the South is up for grabs right now," said the former governor of Georgia, Carl Sanders. "The Republicans have their best opportunity ever because many people who vote in Democratic primaries for local candidates here feel less commitment to the Democratic Party as such than ever before."

He said the Democratic Party used to be the party of "actors and action, but it is now a party of reaction to Republican initiatives."

Quebec's Ruling Party Faces Waning Support

Lévesque's Position Is Challenged As Militancy Gives Way to Apathy

By Christopher S. Wren
New York Times Service

QUEBEC — This has been a disconcerting winter for the Parti Québécois, which has governed Quebec for more than eight years. The party may be wearing out its welcome unless it can adapt to the newer realities of Canada's largest province.

Several prominent party members defected when the party shelved independence as a political issue at a special convention last month. The party's majority in the Quebec legislature, the 123-seat National Assembly, has since shrunk to a scant four seats.

Another party doctrine, a law ensuring French as the province's only language, is being whittled away by court challenges from the English-speaking minority.

The public opinion polls have lately suggested that the Parti Québécois, which was voted into power in 1976, may lose to the Liberals in the next election.

The mandate of the Parti Québécois to govern does not run out until April 1986, but the Liberals are expected to start submitting no-confidence motions in the current government when the legislature reconvenes next month.

Even Premier René Lévesque, who founded the party when independence was a live issue, is facing pressure from within his own ranks to resign. The militancy of French-speaking Quebecers has given way to apathy, particularly among young people who worry more about jobs than language.

"The Parti Québécois is a theology that became a political party," said Lauren Laplante, a prominent radio commentator in Quebec City. "They might survive as a political party, but it's not a theology anymore. They've lost the golden touch."

As the winds from the ice-clogged St. Lawrence River sweep through this historic city, political conversation dwells upon whether the Parti Québécois is an idea whose time has come and gone.

"What's happening is a groping for the center, which is not necessarily promising for stability," said Claude Ryan, the senior legislator of the opposition Labor Party in Quebec's National Assembly.

Party stalwarts like Bernard Landry, Quebec's minister for international affairs and external trade, are not exclusively pessimistic about prospects for staying in power. "We are proud to be the victims of our own success," he

said. "It's always unwise to sell short the Parti Québécois."

"This is the time of collecting the dividends of the Quiet Revolution," Mr. Landry said, using the term applied to the changes made by French-speaking Quebecers since the 1960s. "I could say now that the influence and power in business are in the hands of Quebecers. Now there are multinational corporations that are Québécois."

Critics of the Parti Québécois complain that its promotion of French drove away people and businesses.

A French-speaking Quebec businessman said it was harder to borrow investment capital once English-speaking financial institutions had been antagonized and moved out. By one estimate, 210,000 English speakers left Quebec from 1966 to 1981.

Gerald Godin, Quebec's minister for culture and immigration, said: "The French language is like a flag. It is as sacred to us as the Stars and Stripes is to Americans."

Because the party's legislation, known as Bill 101, guaranteed Quebec's French speakers the right to speak French instead of English, Mr. Godin said: "They no longer see the reasons why we passed the law. It's only a matter of time before Bill 101 is unnecessary and is dropped like a ripe fruit."

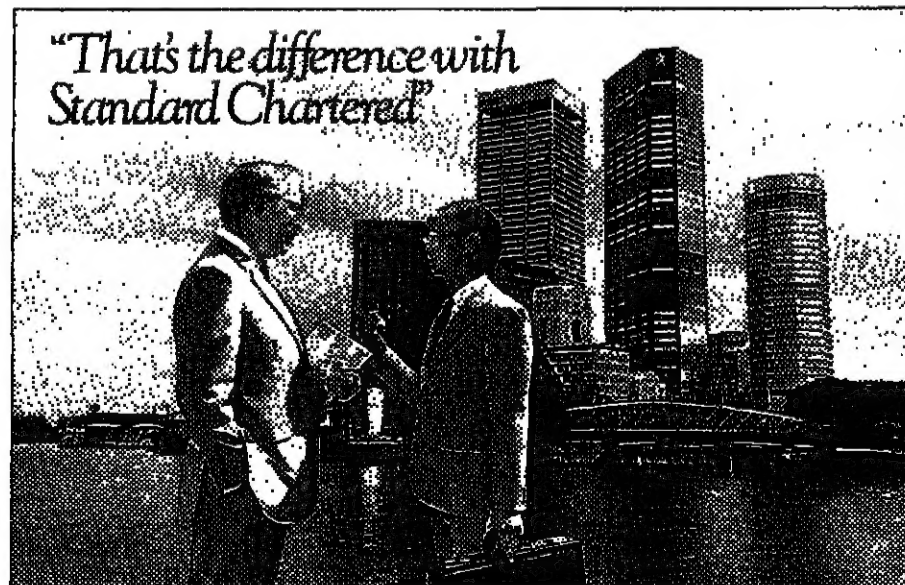
Mr. Lévesque has stayed aloof from such issues since he returned from a vacation in the Caribbean, where he was recovering from what his doctors diagnosed as exhaustion.

There has been speculation that Mr. Lévesque is weary of politics. But he recently said he would stay on and confront the question of his leadership at a party caucus on Tuesday and Wednesday.

Recent opinion polls have shown that Mr. Lévesque would not win the next election against Robert Bourassa, the Liberal Party leader in Quebec, but that Pierre-Marc Johnson, 38, his justice minister, could, Mr. Johnson, who has remained publicly loyal to Mr. Lévesque, says he feels the Parti Québécois must outgrow its image of single-issue separatism.

In 1980 voters rejected by a 60-40 margin a request by the Parti Québécois for a mandate to negotiate some sovereignty with the federal government. Most recent opinion polls have shown that barely a fifth of Quebecers want such sovereignty association.

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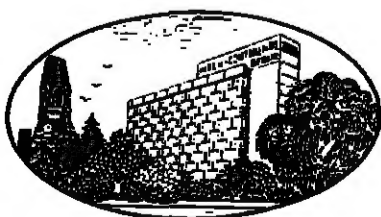
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Nixon Reportedly Met Secretly With Viet Cong in 1964

New York Times Service

NEW YORK — Richard M. Nixon, while on a private trip to Vietnam in 1964, met secretly with the Viet Cong and ransom five U.S. prisoners of war for bars of gold, according to an account ascribed to one of his U.S. Army bodyguards on the secret mission. The account portrays Mr. Nixon, in army fatigues with no identification, being flown by helicopter to a jungle meeting with a Viet Cong lieutenant to "establish a rice" for the captives' freedom. The incident is recounted in the catalog of a Massachusetts author-dealer describing a note of thanks said to have been written by Mr. Nixon to the bodyguard. Several other dealers said the note appeared to be authentic.

The undated note said, "To Hols Kimmons with appreciation for is protection of my helicopter ride in Vietnam, from Richard Nixon." The note and accompanying material were recently sold to a private collector reportedly for about \$500.

The prisoners who were reportedly freed in the exchange were not identified. Nor was it made clear whose behalf Mr. Nixon may have been acting.

Last at Army Base in Corsica

The Associated Press

AJACCIO, Corsica — Three bombs set by six armed and hooded men exploded Sunday in the Ajaccio headquarters of the army's 5th Division, causing serious damage but no injuries, authorities said.

An Ugly Conclusion Mars Chess Match

Game Russians See as Formative
Of Good Character Is Tarnished

By Celestine Bohlen
Washington Post Service
MOSCOW — Last fall, when the world chess championship in Moscow was in its early days, an article appeared in a newspaper for Communist youth about the value of the game for young minds.

It told of how 12,000 students in the town of Norilsk were learning

NEWS ANALYSIS

chess at school, using boards they made themselves in woodwork classes, taught sometimes by their parents in the absence of qualified coaches. This, concluded the author, is all for the good.

"Chess lessons help children to study better," it said, because "it encourages a firmness of character, agility of mind and a quick and logical intellect."

Friday's performance at the Hotel Sport, starting a haggard world champion and a defiant challenger, revealed another side of chess.

The world championship match between the champion, Anatoli Karpov, and Gary Kasparov was ended after a five-month marathon in circumstances that one chess specialist described simply as "dirty."

In the view of some analysts, the struggle over the championship match was also a reflection of the tenacity of the Soviet chess establishment, and its loyalty to Mr. Karpov, the man who has kept the title of world champion under the Soviet flag since 1975, by fending off a challenge from Viktor Korchnoi, a Soviet defector, in 1978 and 1981.

From around the world, expert opinion has held that the decision by the International Chess Federation president, Florencio Campomanes of the Philippines, to cancel the match and start again at 0-0 favors Mr. Karpov.

While still ahead, 5-3, with one victory needed to retain his title, the champion had visibly weakened under the strain of the match, losing more than 22 pounds (10 kilograms) and failing to win a game since Nov. 24.

The major reason for the prolonged match, which included a record 40 draws, was the scoring system. In previous championship tournaments, a victory counted one point and a half point was awarded for a draw; but in this match nothing was given for draws.

While the news of Friday's "brouhaha," a word used by Mr. Campomanes at one point during a

highly charged press conference, made the front pages in foreign newspapers, Soviet papers Saturday kept their information to a minimum.

The match was annulled by the president for the good of the two players, for the good of chess, a new match will be held after a meeting of the chess federation in August. That was the extent of the story on the back page of the Communist daily newspaper Pravda.

The Soviet press agency Tass elaborated Saturday on the reasons for the decision and quoted the chief arbiter of the match, Svetozar Gligoric of Yugoslavia, as saying that Mr. Campomanes' decision was "absolutely justifiable."

"I believe Karpov and Kasparov are really very tired," Tass quoted Mr. Gligoric as saying, adding that this was quite understandable "after such a marathon battle."

However, Mr. Kasparov, at 21 the youngest man ever to play in a world championship, appeared perfectly fit Friday as he made an appeal to keep playing.

Of the three arbiters of the match, Mr. Gligoric was the only non-Soviet citizen and, according to chess experts, his consent to the Campomanes decision has outraged chess circles in Yugoslavia.

For die-hard fans, particularly those backing Mr. Kasparov, the official explanation was not sufficient, although they too had to admit that they had grown weary of the draws.

As one fan said: "Kasparov had just won, not once but twice. He had come back from 5-0; it was his time."

While nothing was printed in Moscow about Mr. Kasparov's angry denunciation of Friday's "performance," word nonetheless got around.

The Russian love of chess is an old story. But in the Soviet Union, the game's popular appeal has spread beyond those of Russian nationality. In Armenia, there is a chess school named after Tigran Petrosian, that Soviet republic's native world champion. Mr. Kasparov received his early training in the republic of Azerbaijan, although he is half Armenian, half Jewish.

For Soviet officialdom, chess has become a matter of national honor. The same is true of other sports and in the arts: The Soviet system is able to find talent at an early age, develop it, and nurture it until it



Gary Kasparov, the discontented challenger, as the cancellation was announced.

can go on the world stage and carry off international prizes.

Chess, being in some ways a Soviet national pastime, has long had a special political dimension. Since 1927, the men's world title has stayed in Soviet hands with only two lapses — in the 1930s when Max Euwe of the Netherlands held it for three years and from 1972 to 1975 when the brilliant but erratic American, Bobby Fischer, reigned.

Mr. Fischer earned a special place in Soviet chess memory. On the wall of the game room at the Moscow Chess Club, his is the only picture of a non-Soviet citizen. He is also the idol of Mr. Kasparov, who is said to share his bold, attacking style.

Since Mr. Fischer's days, some here say that Soviet determination to hold the crown has only grown. The challenge to Mr. Karpov by Mr. Korchnoi, a defector, elevated the struggle, turning Mr. Karpov into something of a national hero, an upholder of the Soviet way against a man viewed as a traitor.

This year's match, between two Soviet citizens, both of whom are members of the Communist Party, had at first seemed dull compared to the fireworks of the Karpov-Korchnoi battles or, before that, the face-off between Mr. Fischer and Boris Spassky.

But even with both players playing under the same flag, high emotions — and some say politics, albeit of a different sort — again erupted to overshadow this most silent and intellectual of games.

Chess Experts Are Critical Of Cancellation of Match

The Associated Press

LONDON — Several international chess grandmasters, including a former president of the ruling body of chess, have criticized the cancellation of the world championship match and accused the Russians of engineering the move.

A Soviet defector and grandmaster, Viktor Korchnoi, said the Soviet chess authorities wanted the championship match, the longest in history, halted to ensure that the champion, Anatoli Karpov, an ardent Communist, was not beaten by his challenger, Gary Kasparov.

When the match was halted, the score was 5-3 in Mr. Karpov's favor. Although Mr. Karpov needed only one more victory to retain his title, Mr. Kasparov had won the two most recent games.

Mr. Korchnoi told The Associated Press in Geneva that the president of the International Chess Federation, Florencio Campomanes, a Filipino, who announced the decision, was a "scapegoat" for Soviet chess authorities.

"Not able to stop it themselves, they somehow, I don't know how, persuaded Campomanes to stop the championship match," said Mr. Korchnoi, who now lives in Switzerland.

"According to me, Kasparov won the match. It is clear he was willing to continue the match, while Karpov needed a break."

World-class players at a competition in the Icelandic capital, Reykjavik, were also skeptical.

A former federation president, Fridrik Olafsson of Iceland, said he regarded Mr. Campomanes' behavior as "very mysterious."

"Something wrong is going on in Moscow," Mr. Olafsson was quoted as saying in an interview with Iceland's main newspaper, Morgunbladi.

"Campomanes should be called Karpovmanes," said Boris Spassky, a former Soviet world champion who now lives in France. He described Mr. Campomanes' decision as "very strange" and accused the official of being biased in favor of Mr. Karpov.

In Geneva, Mr. Korchnoi urged members of the federation to "get together and declare Kasparov the winner."

"If one is unable to survive a match because of stress, weak health and so on, he is a loser," said Mr. Korchnoi.

Reagan Calls Nicaraguan Rebels 'Brothers' and 'Freedom Fighters'

By Bernard Weinraub
New York Times Service
SANTA BARBARA, California — President Ronald Reagan, seeking congressional support for aid to Nicaraguan rebels, has called the insurgents "our brothers." In a radio speech on Saturday, he compared U.S. support for them to the aid foreigners gave the American colonies during the American Revolution.

"We must remember that if the Sandinistas are not stopped now, they will, as they have sworn, attempt to spread communism to El Salvador, Costa Rica, Honduras and elsewhere," he said.

An administration official, speaking to reporters after the speech, said that the continuing "delivery of offensive weapons" to Nicaragua from Eastern Europe "could even pose a strategic threat to the United States."

Congress agreed last year to appropriate \$14 million for the Nicaraguan rebels in the current fiscal year, but said the money could not be spent until the lawmakers specifically voted to release it sometime after Feb. 28.

In his speech, Mr. Reagan compared U.S. support for the rebels to the aid that foreigners gave to American revolutionaries fighting the British.

"Time and again we've aided those around the world struggling for freedom, democracy, independence and liberation from tyranny," Mr. Reagan said. "In the 19th century we supported Simon Bolivar, the great liberator. We supported the Polish patriots, the French Resistance and others seeking freedom."

"It's not an American tradition to turn away, and lucky for us that those who loved democracy 200 years ago didn't turn away from us," he said.

Mr. Reagan cited Lafayette, "who helped defeat General Cornwallis and assure the British surrender at Yorktown."

"And now the free people of El Salvador, Honduras and, yes, Nicaragua ask for our help," he said.

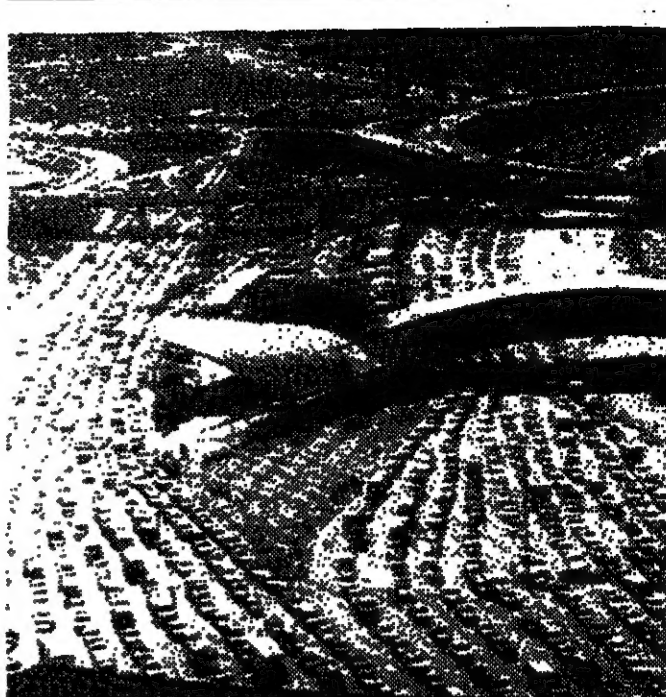
"There are over 15,000 freedom fighters struggling for liberty and democracy in Nicaragua and helping to stem subversion in El Salvador."

"They are our brothers," he said. "How can we ignore them? How can we refuse them assistance when we know that ultimately their fight is our fight?"

After Mr. Reagan's speech, an administration official said that Soviet-bloc nations have stepped up military shipments to Nicaragua. An estimated 10,000 members of Soviet, Cuban, East German, Bulgarian, Libyan and Palestine Liberation Organization forces

were also in Nicaragua, he said. Mr. Reagan's speech was highlighted by some especially tough language. "After the Sandinistas imposed a brutal dictatorship," he said, "they moved quickly to suppress internal dissent, clamp down on a free press, persecute the church and labor unions and betray their pledge to hold free elections."

"Now, they're exporting drugs to poison our youth and linking up with the terrorists of Iran, Libya, the Red Brigades and the PLO," he said. "The Sandinistas aren't democrats but Communists, not lovers of freedom but of power, not builders of a peaceful nation but creators of a Fortress Nicaragua that intends to export communism beyond its borders."



Traffic was stacked up over the weekend at the crossing point between Mexico and San Ysidro, California, as authorities searched for clues to the disappearance of a U.S. narcotics agent in Guadalajara, Mexico. Delays of more than seven hours were reported at the border.

2 More Americans Reported Missing In Guadalajara, Bringing Total to 7

Los Angeles Times Service

GUADALAJARA, Mexico — The disappearance of two more Americans, following the abduction of a U.S. drug agent, has been reported to police here by friends who said the missing men have not been seen for more than two weeks.

A spokesman for the American Consulate confirmed Saturday that U.S. officials were aware of the case of John Walker, an American resident of Guadalajara, and Alberto Radelet, who was visiting Mr. Walker from the United States.

On Feb. 7, an agent of the U.S. Drug Enforcement Administration, Enrique Camarena Salazar, and a pilot who had worked for the agency were abducted.

[The new report raised to seven

the number of Americans who have disappeared in recent months in Guadalajara, Alan Rogers, a U.S. Consulate spokesman, told The Associated Press on Saturday.]

A friend said Mr. Walker was a Vietnam veteran from Minnesota who had been living in Guadalajara for about a year on his military disability pension.

Officials said they knew of no connection between the disappearances and the kidnapping of Mr. Salazar.

Mr. Salazar, 37, was seized by armed men just a few yards from the U.S. Consulate, moments after leaving the building to meet his wife for lunch. He was seen being put into a waiting car that sped away.

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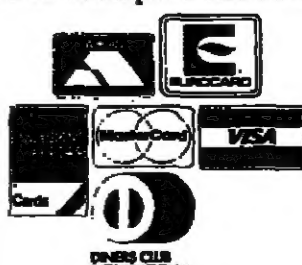
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Beirut Caller Reports Islamic Jihad Intends To Kill U.S. Hostage

By Ihsan A. Hijazi

BEIRUT — A caller claiming to represent the Islamic Jihad terrorist organization has said that it has sentenced one of four American hostages held by the group to die.

The statement, made by an anonymous caller who telephoned a Western news agency in Beirut on Saturday, came on the day that Muhammad Ali, the U.S. former world heavyweight boxing champion, arrived to try to secure the release of the Americans, who were kidnapped over the last year.

The caller also insisted that Jeremy Levin, a U.S. television reporter who had also been a hostage, did not escape as he said but was freed by his captors after intervention by a noted American Islamic personality and after Islamic Jihad had ascertained that he was not involved in any activity against it.

The caller, who spoke in Arabic with a Lebanese accent, said of Mr. Levin's own report that he escaped: "He certainly is crazy because it is very difficult to get out from the place he was in."

Mr. Levin, the Beirut bureau chief for Cable News Network, flew to Frankfurt from Damascus, on Friday after he turned up near Baalbek in Syrian-controlled eastern Lebanon on Wednesday.

The anonymous caller said the decision to free Mr. Levin was made by an "Islamic court."

The court, he said, had sentenced one of the hostages to die.

Asked who the condemned man was, the caller replied: "When he is executed you will all know about it."

He said Mr. Levin's release was in line with a promise made earlier by the Islamic Jihad organization not to harm U.S. journalists.

The caller's reference to an American Islamic personality is believed to be to Mr. Ali, who is a Muslim.

An aide to Mr. Ali said he would seek the release of the four hostages — a diplomat, two ministers and an employee of the American University of Beirut — and a Saudi Arabian official believed to have been abducted by the same group.

■ **Levin Pronounced Fit**

A U.S. Air Force doctor pronounced Mr. Levin in "good health" on Saturday despite the 11 months he reported spending chained in solitary confinement in Lebanon. The Associated Press reported from Frankfurt.

"Today, Mr. Levin is in good health and there should be no reason to curtail his return to the United States," said a statement by a spokesman for the U.S. Air Forces in Europe.

Mr. Levin, 52, was admitted to hospital for a routine checkup late Friday after arriving at the Rhein-Main Air Base in Frankfurt from Damascus aboard an executive jet.

After a welcome from his wife, Lucille, and other family members, Mr. Levin was driven to his hotel in Wiesbaden, about 20 miles (32 kilometers) west of Frankfurt.

Mr. Levin said he felt "fantastic, just fantastic."



Jeremy Levin, the Cable News Network correspondent in Lebanon who reappeared last week after 11 months in captivity, was greeted by his wife, Lucille, in Frankfurt on Friday.

U.S. Cancels 2d Military Exercise With New Zealand; Ties Reviewed

By Bernard Gwertzman
New York Times Service

WASHINGTON — The United States has canceled a second set of military exercises with New Zealand and said all security relations with the Pacific ally were under review.

The latest move was cancellation of anti-submarine exercises near Hawaii on Feb. 22. New Zealand was informed by Washington on Thursday night, the New Zealand defense minister, Frank O'Flynn, said Saturday morning in Wellington. The action was confirmed Saturday by State Department officials, who said a fuller statement would be made this week.

State Department officials said Saturday that the entire security relationship with New Zealand was under review. They predicted that virtually every military tie with New Zealand would be curtailed to show that Washington did not believe a country could have an alliance with the United States and avoid its full responsibilities.

Washington is also considering ending the policy of exchanging intelligence information with New Zealand, officials said.

The administration has said it will not impose economic sanctions on New Zealand, but will not strongly argue New Zealand's case when members of Congress seek to end special trade preferences on such commodities as lamb and cheese, a cheese and milk protein used in food and industrial products.

The dispute with New Zealand sharpened recently when Prime Minister David Lange refused per-

mission for a port call by an American destroyer because his Labor government has an anti-nuclear policy that forbids visits by ships carrying nuclear weapons.

The United States, as is its practice, refused to say whether the ship, the Buchanan, carried such weapons.

In response, the Reagan administration announced cancellation of joint exercises with its ANZUS pact allies, Australia and New Zealand, that had been scheduled for Australia's east coast.

Secretary of State George P. Shultz said that although New Zealand remained "a friend" of the United States, it was not behaving as an ally should and Washington

would have to adapt its policies to this development.

Although the ship visit in itself was a minor matter, State Department officials have viewed the denial of port privileges as a major rupture in the alliance. They said it was unacceptable that the United States be forced by an ally to curb its nuclear deterrent force at a time when there are no similar constraints on Soviet forces.

Since the ANZUS pact is primarily a maritime alliance with ships and planes from the three countries patrolling the South Pacific, the administration has said that by depriving the United States of port calls, the New Zealand government has changed the "operational" character of the alliance.

Union Carbide Blamed For Lapses in Bhopal

Compiled by Our Staff From Despatches

NEW DELHI — The Indian government has blamed a series of lapses by Union Carbide Corp. at its pesticide plant in Bhopal for triggering the accident that killed more than 2,000 people.

A study published Saturday by the Chemicals and Fertilizers Ministry said the company flouted safety requirements and did not adequately train its employees at the plant. Besides the fatalities, tens of thousands of people were injured in the Dec. 3 accident, which involved a leak of methyl isocyanate gas.

The report said that Union Carbide, despite previous accidents in the plant involving leakage of phosgene, a chemical intermediary in the manufacture of methyl isocyanate, did not improve safety standards or prepare a contingency plan for a disaster.

It also said that residents near the plant were not advised about elementary precautions in the event of leaks.

"Had that been done, the immense sufferings caused would have been substantially reduced," the ministry said.

The report said preliminary findings by government scientists indicated the catastrophe was caused by the entry of a foreign substance, possibly water, into an underground tank.

The report said the factory management did not immediately inform the local authorities when the gas leak occurred.

Plant officials did not know the exact quantity of methyl isocyanate stored in the factory nor could they suggest a treatment for gas inhalation, the study said. After the accident, it was discovered that 22 metric tons (24 short tons) of methyl isocyanate remained in the underground plant tanks, not 15 metric tons as Union Carbide had claimed, the ministry said.

The ministry said the authorities were considering establishment of a national scientific and medical committee for a study of the side effects caused by the gas.

A study by Bombay's Tata Institute of Social Sciences said last week that more than 1,000 people were blinded by the gas. A team of Bhopal doctors, however, said there had been no cases of permanent blindness.

More than 1,000 demonstrators marched Saturday in Bhopal to demand the closure of the Union Carbide plant and better relief measures for victims.

The demonstrators marched 6 kilometers (3.7 miles) from the plant to the center of town and shouted, "Carbide's bloody claws, twist them, break them," and "This factory won't work."

Medical officials in Bhopal said Union Carbide had done little to

help more than 15,000 people still suffering from effects of the poison. The company denied the allegations.

"We got no medical help whatsoever from Union Carbide," said Dr. Ishwar Das, assistant health secretary in the state of Madhya Pradesh, where Bhopal is located. "Actually, the company added to our problems by issuing misleading and confusing information."

A Union Carbide spokesman said the company had distributed medical supplies to the injured.

But Dr. N.R. Bhandari, superintendent of Hamidia Hospital in Bhopal, said: "It was a drop in the ocean. The medicine from the company did not make much difference."

Dr. Bhandari estimated that about 1,500 people seek treatment at city hospitals and clinics each day for injuries from the gas. He said at least 41 people remained hospitalized. (AP, UPI)

African Famine May Continue, Researchers Say

The Associated Press

WASHINGTON — Population-induced climatic changes and long-term soil erosion may perpetuate for years the African famine, a research group said Saturday.

The Worldwatch Institute, in its annual "State of the World" report for 1985, called the starvation in Africa a forerunning of the earth's resources may be incapable of supporting a global population approaching five billion people. As many as a million people are believed to have died last year in Ethiopia alone.

"A scenario is unfolding in Africa where population growth may be driving a climatic change leading to a reduction in rainfall and, ultimately, food production," the Washington-based institute said.

The institute's president, Lester Brown, said only a combined tree-planting, soil conservation and family planning effort "equal to the Allied powers mobilization in World War II" might reverse what he called the desecration of Africa.

Senegal Leader in Morocco

The Associated Press

MARRAKECH, Morocco — President Abdou Diouf of Senegal arrived here Saturday for private talks with King Hassan II of Morocco, ending a two-year rift between the two nations caused indirectly by the conflict over control of the Western Sahara.

Israeli Pullout: Element of Surprise Leads to Smooth Sidon Withdrawal

By Edward Walsh

Washington Post Service

KFAR FALOUS, Lebanon — The last Israeli convoy to leave Sidon Saturday consisted of 38 vehicles, about 300 soldiers and two dogs. The dogs were named Vodka and Esther.

Shortly after 2 P.M., about three hours after they began moving out of Sidon, the convoy passed this point about six miles (10 kilometers) east of the Lebanese port city, picking up mud as the heavy vehicles lumbered along a rain-swept mountain road.

From a nearby hillside, employees of the Hariri Medical Center, a huge, modern complex that looks out of place in the mountain countryside, watched silently as the last of the Israeli soldiers left.

With that, Israel's occupation of Sidon and the surrounding countryside, which has gone on for two-and-a-half years, came to an end. The final hours passed quietly, except for the growl of the engines of 25 armored personnel carriers, five jeeps, five trucks and three tanks that moved in procession through mist and low-hanging clouds.

The pullback from Sidon was the start of a planned three-stage withdrawal from southern Lebanon that the Israeli Cabinet approved Jan. 14. The timing of the second and third stages has not been set, but Saturday Israel stopped policing Sidon, the largest city in southern Lebanon, with a population of about 100,000.

Israeli military officials said the first stage of the pullback was accomplished without incident. Israeli officials had said earlier that they had information that Lebanese Shiite Muslim militias were planning to disrupt the pullback.

In an apparent attempt to surprise the local militias, the Israelis pulled out of Sidon two days earlier than scheduled, and on the Jewish Sabbath. They may have also benefited from the weather, which shrouded the mountains east of Sidon in rain and fog.

"From our point of view, everything goes well," Defense Minister Yitzhak Rabin said a few minutes before the convoy rumbled by. "What happens in Sidon will be the sole responsibility of the Lebanese government."

Mr. Rabin repeated complaints that the Lebanese government refused to cooperate with Israel for an "orderly transfer" of the area evacuated Saturday. Despite that obstacle, he said, Israel "found ways to cooperate with the Lebanese Army on a local level," suggesting that Israel played a role in the immediate entry of Lebanese Army units into Sidon after the Israeli pullback.

Saturday's withdrawal from the Sidon area was the second major Israeli army pullback in Lebanon since June 1982 invasion. The first, the abrupt September 1983 withdrawal from the Chuf Mountains southeast of Beirut, was followed by bloody clashes between Lebanese Christian and Druze militias.

The Israelis were widely accused of exacerbating the Chuf conflict by their sudden departure. This time, the Israelis gave five weeks' notice of their intention to withdraw and said repeatedly that they would not be held responsible for what happened after they left.

Nevertheless, when the time for the final move came, it happened quickly. Israeli bases in the area had been dismantled weeks ago, and all heavy equipment was moved south, leaving relatively few combat units to patrol the roads and villages.

These last soldiers received the order to prepare for the final withdrawal at about 8 A.M. Saturday. Two hours earlier, the Israelis had notified United Nations officials in southern Lebanon, the U.S. Embassy in Tel Aviv and the Lebanese government when the pullout would take place.

Late Saturday morning, Mr. Rabin and the Israeli Army chief of staff, Lieutenant General Moshe Levi, flew by helicopter to Buxata, a large Israeli base that overlooks the Awa River bridge on the Lebanese coastal highway just north of



An Israeli soldier waves farewell as his unit leaves the Sidon area in southern Lebanon.

Sidon. It was from Buxata that most of the soldiers in the last convoy, preceded by Mr. Rabin and Mr. Levi, left the area.

Both men said they realized this initial pullback would not lessen the attacks on Israeli soldiers in southern Lebanon, which recently have become most intense in the area to the south of Sidon that will

not be evacuated until the final stage of the withdrawal.

The area is infested with terrorists and terrorism," Mr. Rabin said. "There will be an increased number of terrorist attempts."

The long-awaited withdrawal from the Sidon area meant different things to different people.

One man, who did not give his name, said: "We don't want the

Israelis here. We are happy to see them go."

The Israeli soldiers shared his feelings, if for different reasons. They were subdued as the last convoy went around a curve in the road beneath the medical center, but they shed their reserve as they reached Mashaqa, site of a dismantled Israeli base where the convoy vehicles were loaded onto flatbed trucks for the trip home.

The soldiers embraced each other and laughed. They grabbed one of the three telephones in Mashaqa that were connected to lines in Israel to call home.

Vodka and Esther, the dogs the soldiers had adopted at Buxata, scampered among the rows of parked armored personnel carriers. They, too, were going to Israel, one of the soldiers said.

Sihanouk Urges China to Attack Vietnam Now

By William Branigin

Washington Post Service

BANG SAEN, Thailand — Prince Norodom Sihanouk, the head of a coalition of Cambodian resistance groups fighting the Vietnamese, has called on China to make good its pledge to teach Hanoi a "second lesson" after a series of major defeats by the guerrillas.

"We want China to teach Vietnam a second lesson now," Prince Sihanouk said Saturday in an interview at this resort on the Gulf of Thailand.

The former Cambodian head of state referred to a promise that he said was given him in October in Beijing. He said two Chinese leaders, Deng Xiaoping and Hu Yaobang, pledged to maintain military pressure on Vietnam's northern border and to "punish" the Vietnamese if the Cambodian guerrillas suffered battlefield reverses.

China invaded Vietnam for several weeks in early 1979 in what Beijing described as a "lesson" after Vietnamese forces invaded Cambodia and drove out the Chinese-backed Khmer Rouge Communist government.

The Khmer Rouge and two non-Communist resistance groups, one loyal to Prince Sihanouk and a



Prince Norodom Sihanouk

larger one led by Son Sann, since have been fighting the Vietnamese occupation as part of a shaky, UN-recognized coalition government.

The prince said he and the two other resistance leaders, Son Sann of the Khmer People's National Liberation Front and Khieu Samphan of the Khmer Rouge, wanted China to move now "since now it appears that the situation of the

armed resistance in Cambodia is getting bad." He added, "We are not in a desperate situation, but a bad situation."

[UN relief officials Sunday began trucking about 40,000 Cambodian civilians from a temporary evacuation site at Khao Sarapi, Thailand, to a safer area farther south along the border. Reuters reported from the area.]

Only Prince Sihanouk's group, the National Sihanoukist Army, has escaped attack. But he said he feared its one base, at Tanum on the northern Cambodian border, where he said about 5,000 guerrillas were camped, could become "desert" for the Vietnamese.

China: Offensive Failed

Reuters reported from Beijing: China said Sunday in a statement by the official Xinhua press agency that Vietnam's offensive in Cambodia was a complete failure despite the capture of guerrilla bases.

Western diplomats in Beijing said the statement, coming on the sixth anniversary of China's attack on Vietnam, indicated Beijing

would not come to the support of the guerrillas with its threatened "second lesson" for Hanoi.

But they did not rule out an increase in Chinese attacks along the border with Vietnam.

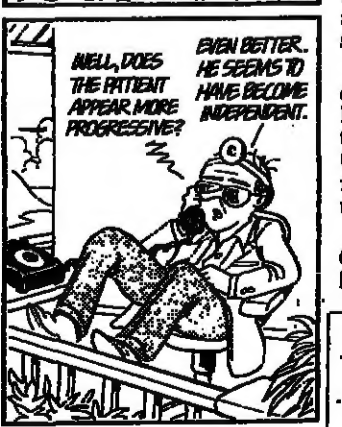
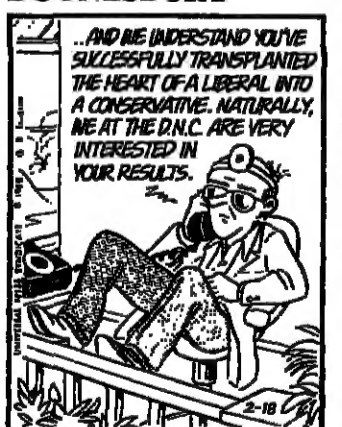
Xinhua said the Cambodian guerrillas had escaped into the interior to harass Hanoi's supply lines, and that Vietnamese troops would find it impossible to hold what they had captured.

[The Associated Press reported from Bangkok that the Vietnam News Agency said Chinese artillery barrages, targeted against villages as deep as eight miles (13 kilometers) inside Vietnam, have killed 14 civilians and wounded many others in recent days.]

[The official press agency said the latest barrage occurred Saturday, when 200 rounds were fired into Tri Phuong village of Lang Son province, destroying many houses and killing domestic animals.]

[More than 1,500 rounds fell on hamlets along the border Friday, while Chinese troops dug trenches and built fortifications in the frontier area, "making the situation there very tense," the report said.]

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Herald Tribune

BUSINESS/FINANCE

MONDAY, FEBRUARY 18, 1985

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EUROBONDS

FRNs Are Lone Bright Spot Amid Glut of Unsold Bonds

By CARL GEWIRTZ

International Herald Tribune

PARIS — Confusion about the direction of interest rates and billions of dollars worth of unsold fixed-coupon bonds remaining in the hands of underwriters cast a pall over the Eurobond market last week.

The only bright spot was the floating-rate market, considered the safest option when the outlook for rates is uncertain, where a hefty \$2.14 billion worth of notes were offered. This tally does not include the \$1.998 billion of domestic floating-rate notes offered by Icahn Group Inc. that are being marketed internationally (IHT, Feb. 16-17).

The most novel of the FRNs was Inco Ltd.'s \$100 million of 10-year notes, whose structure turns the paper into a true money market instrument.

The main attraction of FRNs is the fact that the coupon is reset at fixed intervals to reflect changes in short-term interest rates. The main disadvantage is that note-holders can never be absolutely sure of reselling the paper without a loss.

In principle, the value of an FRN should settle at par each time a new coupon is set, as on that day it is valued to reflect conditions in the money market.

But there is no guarantee. If the borrower's credit rating falls and investors deem that its paper should, for example, carry a margin of 1/4 point over the London interbank offered rate, or Libor, instead of the 1/16 it offers, the notes may never trade at par.

The Inco notes are structured to overcome this worry. Investors are assured that on any interest payment date they can "put" the notes back — at par value — to a group of banks that have agreed to serve as guarantors.

These banks can then try to resell the notes through a standing tender panel or, if that fails, hold the notes and offer them to the tender panel on the next coupon date.

This is very much like Eurobonds, which currently are very popular. The key difference, however, is that purchasers of Eurobonds are assured of a yield for only the duration of the one- to six-month notes.

Subsequent reissue of the Eurobonds may be at terms very different from the initial sale. By contrast, Inco holders can lock in a yield to final maturity.

The Inco notes will bear a coupon of 3/16 point over the six-month Libor. The tender panel will bid for the notes and if successful will distribute them at negotiated rates to clients.

As the bank guarantors, who are not yet identified, stand ready to redeem the notes and as major banks currently pay 1/16 to 1/8 over Libor to borrow themselves, investors presumably will be found to buy the Inco notes at a price less than 3/16 point over Libor.

This means the paper would be sold at a premium, or a one-time charge whose cost to investors would diminish the longer the notes are held, an incentive for investors to hold the paper and thus amortize the charge.

Canadian Imperial Bank of Commerce, the lead manager, believes that the multi-bank guaranty to buy back the notes gives the issue added attraction because investors have the collective guaranty of a group of banks to fall back on rather than the single-bank risk in buying, for example, notes issued by Citicorp.

What Inco is paying these banks to provide the guaranty has not yet been divulged. Commissions on the FRN total 1/2 percent, of which Canadian Imperial Bank is keeping 1/4 percent as a praecipuum, or a bonus. The bank has named the structure "grantor-underwritten notes," grantor meaning one who provides a guaranty.

Inco has been operating at a loss since 1981, and some bankers believe this loan structure can enable companies that otherwise would not have access to the capital market to gain that access. The World Bank is also tapping the FRN market, offering \$500 million (Continued on Page 9, Col. 1)

Eurobond Yields

For Week Ended Feb. 13

	Yield
U.S. 10-year, int'l inst.	11.71%
U.S. 10-year, int'l inst.	11.64%
U.S. 10-year, int'l inst.	11.75%
U.S. 10-year, int'l inst.	12.14%
French Fr. medium term	11.09%
French Fr. medium term	11.14%
Yen medium term, int'l inst.	7.56%
Yen 10-year, int'l inst.	7.44%
ECU short term	9.85%
ECU medium term	10.37%
ECU long term	10.44%
U.S. 10-year, int'l inst.	9.35%
FLX 10-year, int'l inst.	10.16%
FLX medium term	9.91%

Market Turnover

For Week Ended Feb. 14

	Total	Dollar	Non-dollar
Credit	13,555.5	11,290.2	2,265.3
Euroclear	26,660.9	24,805.1	1,855.8

New Bid Made for Wheelock

Y.K. Pao Enters Fight for Firm

By Dinah Lee

International Herald Tribune

HONG KONG — The battle for control of Wheelock Marden & Co., one of Hong Kong's oldest trading and shipping companies, heated up over the weekend with the second takeover bid in three days.

The new contender is Sir Y.K. Pao, the world's largest private shipowner, through his Hong Kong-based firm, Hongkong & Kowloon Wharf and Godown Co. Last Thursday, a Singapore hotel and property magnate, Khoo Teck Puat, announced that he had already acquired 13.5 percent of Wheelock's voting rights through a purchase of 21,035,157, or 6.7 percent, of the A, and 53,548,730 or 22.7 percent of the B shares from the family interests of the Wheelock chairman, John L. Marden.

Mr. Khoo's bid put the value of the company at 1.9 billion Hong Kong dollars (\$243.6 million) with an offer to remaining shareholders of 6 dollars for every A ordinary share and 60 cents for every B ordinary share.

Trading in Wheelock A shares was suspended at 5.80 dollars on Thursday, but the price shot up from Wednesday's close of 5.05 dollars to 6.40 dollars when activity resumed on Friday, effectively eclipsing Mr. Khoo's bid.

Sir Y.K. Pao's offer, announced Saturday, was 10 percent higher than the Khoo bid, or 6.60 dollars for the A ordinary shares and 66 cents for the B shares, putting the value of the Wheelock group at about 2.23 billion dollars.

Wardley Ltd., a Hong Kong merchant bank acting on behalf of Wharf, indicated that Sir Y.K. Pao had acquired 34 percent of the voting rights of the group. Hong Kong's disclosure rules are such that it is difficult to confirm how Sir Y.K. Pao obtained this share, but bankers close to the battle say there are strong indications that a director of two Wheelock subsidiaries, John Cheung, has joined forces with Sir Y.K. Pao to foil the Khoo bid. It has been rumored in the local market for many years that Mr. Marden and Mr. Cheung disagreed strongly over the future of the group, particularly with regard to the troubled shipping interests of Wheelock.

Hong Kong regulations require that trading in Wheelock shares be suspended again on Monday following the bid by Wharf. However, it is probable that prices will rise this week when trading resumes because rumors of more counterbids are already circulating in Hong Kong.

Neither Mr. Khoo nor Sir Y.K. Pao has made a public statement of plans for the Wheelock group should he gain control. On Saturday, members of Wheelock's board urged shareholders to take no action on either offer and not to dispose of their holdings until an "independent committee" of the board makes a statement. Wheelock's executive manager, D.A. Graham, declined on Sunday to say who the members of the independent committee are.

It is believed that Mr. Khoo would like to use Wheelock as a vehicle for expanding his hotel interests, which are already considerable in Singapore and Australia, into Hong Kong and China.

There has also been speculation that Sir Y.K. Pao might be attracted by the healthy property operations of the Wheelock group, including Realty Development Corp. and Hongkong Realty & Trust Co. Mr. Cheung is a director of both of these companies.

A merchant banker involved in the takeover battle said Sunday that the bidding could "drag on for two to three months."

Licensing: New Joy for U.S. Toy Firms

Concept Is Cited As Reason for Big '84, Bright Future

By Dinah Lee

International Herald Tribune

NEW YORK — A week ago, a new set of potentially hot licensing products made their debut. The animals of Wuzzles, the "plush people" of Hugga Bunch, the warring forces of MASK, the women of the Princess of Power and the "insectoids" of Sectra were introduced at the opening of the American International Toy Fair here.

As Coleco Industries' Cabbage Patch dolls showed, international licensing of toys has become more sophisticated, and far more lucrative, in recent years.

The Cabbage Patch licensing episode was a success through the United States and much of Europe, and its numerous spinoffs are likely to continue that success for some time to come.

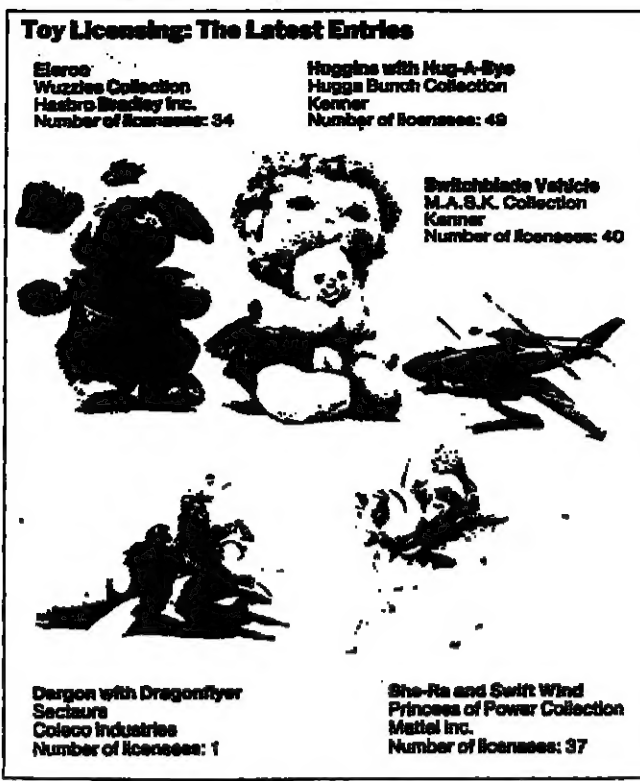
The current practice, which was used with much success by Coleco in its Cabbage Patch strategy, involves creating an entire storyline, or fantasy, around a particular product, and then selling — or licensing — the marketing rights to accessories that can include everything from greeting cards to clothing.

"There is absolutely no question that licensing is an important change," said Paul Valentine, toy analyst with Standard & Poor's Corp. "It is a reflection of the more sophisticated marketing of toy companies, the ability to create characters that have their own identity."

This year's toy fair follows one of the industry's most successful years. Manufacturers' shipments in 1984 soared by more than 51 percent, to about \$8 billion, from \$5.3 billion the year before, according to the Toy Manufacturers of America. Retail sales in the United States alone jumped about 20 percent, to about \$12 billion.

The year's results were helped by several tremendously popular items, including the Cabbage Patch dolls; the Trivial Pursuit game, another popular export; robot toys, such as the Transformers and the Gobot, and stuffed animals, such as Care Bears — all of them successful licensing properties.

The concept of licensing toys was born with the introduction of Strawberry Shortcake, a doll in a red dress that swept the toy industry



Toy Licensing: The Latest Entries

Wuzzles Collection: Hasbro Industries Inc. Number of licenses: 34

Hugga Bunch: Hugga Bunch Collection: Kenner Number of licenses: 48

Princess of Power Collection: Mattel Inc. Number of licenses: 40

Sectra: Coleco Industries Inc. Number of licenses: 1

Dragon with Dragonfly: Coleco Industries Inc. Number of licenses: 1

Sho-Ra and Swift Wind: Princess of Power Collection: Mattel Inc. Number of licenses: 37

The New York Times

show featuring the Wuzzles is to be shown on CBS in the fall.

Mattel's Princess of Power line of action figures for girls, is supported by 37 licenses. The line will also appear on a syndicated television show.

Kenner's MASK — Mobile Armored Strike Kommand — includes a series of cars, trucks, motorcycles and helicopters. Each toy will include a small comic book and the line will be backed up with regular comic books, licensed by DC Comics.

The line has attracted 40 licenses, according to Louis Gioia Jr., Kenner's vice president of marketing services and international marketing.

Another major Kenner product introduction this year, the Hugga Bunch dolls, are being described as "plush people," and will be supported by a \$10-million marketing campaign focusing on the need for people to hug each other. Forty-nine licenses have been signed on.

Coleco is seeking to follow its Cabbage Patch success with a line called Sectra, which it intends to license itself. It centers on a planet where experiments have gone out of control, and insects have grown frightfully large.

Fed Reports Move to Ease Rate Curbs

By Dinah Lee

International Herald Tribune

WASHINGTON — The Federal Reserve Board has reported that its policy-making committee agreed two months ago to relax slightly its restraints on U.S. interest rates and bank reserves. Economists said the decision had been suspected and had been an important factor in the American economy's relative strength since the turn of the year.

Minutes of the Federal Open Market Committee meeting on Dec. 17 and 18, which the Fed published on Friday, disclosed that the committee had voted to lower the range for the federal funds rate to 6 percent and 10 percent from 7 percent and 11 percent.

In recent days the Fed funds rate, which influences other short-term rates, has been trading around 8 1/2 percent. The federal funds rate applies to overnight loans between banks.

The committee also agreed to permit faster growth of the Fed's three measures of the money supply in the November-March period, including M-1, the narrowest measure, which covers cash and readily available checking deposits.

According to the minutes, a number of members felt that domestic considerations in favor of less restraint were reinforced by the need to take account of the strength of the dollar in foreign exchange markets.

Turkey, Iraq to Sign Accord Next Month for 2d Pipeline

ANKARA — Turkey and Iraq are to sign an agreement next month for the construction of a second pipeline to carry Iraqi oil through Turkey to the Mediterranean, Turkish Finance Minister Ahmet Altinpinar said.

Speaking Friday on his return from Baghdad, he said five consortiums had been given tender documents to be completed by April 1. A decision was due by May 1, he said.

The Iraqi News Agency said the two sides signed joint minutes on the agreement in Baghdad on Thursday. It said work should start during the second half of this year and should be completed within 18 months.

Mr. Altinpinar said the final agreement would be signed in Ankara at the beginning of March. Turkey's semi-official Anatolian News Agency reported.

He said he had discussed in Baghdad the fee to be paid and the

NEW ISSUE

All these Bonds have been sold. This announcement appears as a matter of record only.

February 13, 1985



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Credit Lyonnais

Dresdner Bank Aktiengesellschaft

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Orion Royal Bank Limited

Rabobank Nederland

Union Bank of Switzerland (Securities) Limited

S.G. Warburg & Co. Ltd.

Westdeutsche Landesbank Girozentrale

Abu Dhabi Investment Company	Al-Mal Group	B.A.C.-C.O.B. Savings Bank	Banca del Gortardo	Banca Manusardi & C.
Bank Gutzwiller, Kurz, Bungenier (Overseas)	Bank Ippa	Bank Mees & Hope NV	Bankverein Bremen AG	Bankverein Bremen AG
Bank of Commerce S.A.	Banque Française du Commerce Extérieur	Banque Générale du Luxembourg S.A.	Banque Générale du Luxembourg S.A.	Banque Générale du Luxembourg S.A.
Banque Indosuez	Banque Internationale à Luxembourg S.A.	Banque de Luxembourg S.A.	Banque Paribas Capital Markets	Banque Paribas Capital Markets
Banque de l'Union Européenne	Baring Brothers & Co.	Bayerische Hypothek- und Wechselbank	Bayerische Hypothek- und Wechselbank	Bayerische Hypothek- und Wechselbank
Bayerische Landesbank Girozentrale	Caisse d'Epargne de l'Etat du Grand-Duché de Luxembourg (Banque de l'Etat)	CERA-Centrale Raiffeisen C.V.-Belgium	CERA-Centrale Raiffeisen C.V.-Belgium	CERA-Centrale Raiffeisen C.V.-Belgium
Caisse Générale d'Epargne et de Retraite/Algemene Spaar- en Lijfrentekas	Chemical Bank International Group	CIBC Limited	CIBC Limited	CIBC Limited
Chase Manhattan Capital Markets Group	Compagnie de Banque et d'Investissements, CBI	Country Bank	Country Bank	Country Bank
Citicorp Capital Markets Group	Credit Agricole	Credit Commercial de Belgique S.A./Gemeentekrediet van België N.V.	Credit Commercial de Belgique S.A./Gemeentekrediet van België N.V.	Credit Commercial de Belgique S.A./Gemeentekrediet van België N.V.
Credit Général	Credit Industriel d'Alsace et de Lorraine	Credit du Nord	Credit du Nord	Credit du Nord
Deutsche Girozentrale-Deutsche Kommunalbank	DG Bank	Die Erste Österreichische Spar-Casse-Bank	Die Erste Österreichische Spar-Casse-Bank	Die Erste Österreichische Spar-Casse-Bank
Dominion Securities Pitfield	Enskilda Securities	European Banking Company	European Banking Company	European Banking Company
Hambros Bank	Handelsbank N.V. (Overseas)	Hessische Landesbank Girozentrale	Hill Samuel & Co.	IBJ International
Irish Intercontinental Bank	Istituto Bancario San Paolo di Torino	KB Luxembourg (Asia)	Kidder, Peabody International	Kidder, Peabody International
Kleinwort, Benson	Kredietbank S.A. Luxembourg	Kredietbank (Suisse) S.A.	Kwait International Investment Co. s.a.k.	Kwait International Investment Co. s.a.k.
F. van Lanschoot Bankiers N.V.	Lazard Freres et Cie	Lloyds Bank International	Merrill Lynch Capital Markets	Merrill Lynch Capital Markets
Mitsubishi Finance International	Morgan Guaranty Ltd	Morgan Stanley International	Morgan Stanley International	Morgan Stanley International
Nederlandsche Credietbank nv	The Nikko Securities Co., (Europe) Ltd.	Nomura International Limited	Nomura International Limited	Nomura International Limited
Norddeutsche Landesbank Girozentrale	Overland Trust Bank	Peterbroeck, Van Campenhout & Cie S.C.S.	Peterbroeck, Van Campenhout & Cie S.C.S.	Peterbroeck, Van Campenhout & Cie S.C.S.
Pierson, Helderling & Pierson N.V.	PK Christiana Bank (UK) Ltd.	Privatbanken A/S	Salzburger Sparkasse	Salzburger Sparkasse
Sarwa International Société Générale	Société Générale Alsacienne de Banque	Sparebanken Oslo Akershus	Sparebanken Oslo Akershus	Sparebanken Oslo Akershus
Sumitomo Finance International	Williams & Glyn's Bank plc	Wood Gundy Inc.	Yamaichi International (Europe)	Yamaichi International (Europe)

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States

	Last Wk.	Prev. Wk.	% Chg.
DJ Ind.	1,282.01	1,285.97	-0.31
DJ Ind.	130.85	130.80	+0.04
DJ Trans.	629.21	630.09	-0.14
S & P 500	177.95	180.85	-1.58
S & P 500	181.40	182.19	-0.38
NYSE Cl.	105.27	105.39	-0.12

Data from Princeton/Boise Securities

Britain

FTSE 100

Long Kong		
Long Sena -	1,405.93	

Hong Kong

Hong Sens.

1,405.92	1,347.88	+4.31
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Japan

Nikkei DJ

12,148.29	12,099.81	+1.16
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West Germany

Commerzbank

1,170.00	1,162.60	+0.64
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West-G.D. Index from James Carel & Co. Ltd.

Money Rates

United States

	Last Wk.	Prev. Wk.	% Chg.
Discount rate	8	8	0
Federal funds rate	8.25	8.25	0
Prime rate	10.50	10.50	0

Japan

Discount

5	5	0
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Call money

4.25	4.25	0
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48-day interbank

4.25	4.30	-0.12
------	------	-------

West Germany

Lombard

6	6	0
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Overnight

5.60	5.65	-0.09
------	------	-------

1-month interbank

5.55	5.65	-0.18
------	------	-------

Britain

Bank base rate

14	14	0
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Call money

14	14 1/4	-0.14
----	--------	-------

3-month interbank

13.50	13 1/4	+0.13
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Dollar

Last Wk. % Chg.

Sw. Krona	158.0	149.3	+0.47
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Gold price

384.00	384.00	0
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Refined gold price from James Carel & Co. Ltd.

Refined gold price from James Carel & Co. Ltd.

Markets Closed

U.S. stock and commodity markets will be closed Monday in observance of Washington's Birthday. Banks also will be closed.

[illegible]

For the Week Ending Feb. 15, 1985

[illegible]

ABN Bank
emene Bank Nederland N.V.

Annual coupons February 15.

Banque Brussel Lambert N.V.	Banque Nationale de Paris
Banque Paribas Capital Markets	Crédit Lyonnais
Kredietbank International Group	Société Générale
Société Générale de Banque S.A.	Swiss Bank Corporation International Limited

February, 1985

[illegible]

CONVERTIBLE BONDS

Ann.	Security	%	Mkt.	Price	Conv. Par.	Conv. Price	Ann.	Security	%	Mkt.	Price	Conv. Par.	Conv. Price	Ann.	Security	%	Mkt.	Price	Conv. Par.	Conv. Price
						Yld.							Yld.							Yld.
EUROPE																				
130	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	130	5 1/2	74 Jun	124	1 Jun 84	127 1/2	130	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
131	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	131	5 1/2	74 Jun	124	1 Jun 84	127 1/2	131	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
132	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	132	5 1/2	74 Jun	124	1 Jun 84	127 1/2	132	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
133	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	133	5 1/2	74 Jun	124	1 Jun 84	127 1/2	133	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
134	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	134	5 1/2	74 Jun	124	1 Jun 84	127 1/2	134	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
135	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	135	5 1/2	74 Jun	124	1 Jun 84	127 1/2	135	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
136	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	136	5 1/2	74 Jun	124	1 Jun 84	127 1/2	136	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
137	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	137	5 1/2	74 Jun	124	1 Jun 84	127 1/2	137	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
138	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	138	5 1/2	74 Jun	124	1 Jun 84	127 1/2	138	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
139	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	139	5 1/2	74 Jun	124	1 Jun 84	127 1/2	139	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
140	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	140	5 1/2	74 Jun	124	1 Jun 84	127 1/2	140	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
141	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	141	5 1/2	74 Jun	124	1 Jun 84	127 1/2	141	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
142	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	142	5 1/2	74 Jun	124	1 Jun 84	127 1/2	142	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
143	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	143	5 1/2	74 Jun	124	1 Jun 84	127 1/2	143	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
144	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	144	5 1/2	74 Jun	124	1 Jun 84	127 1/2	144	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
145	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	145	5 1/2	74 Jun	124	1 Jun 84	127 1/2	145	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
146	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	146	5 1/2	74 Jun	124	1 Jun 84	127 1/2	146	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
147	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	147	5 1/2	74 Jun	124	1 Jun 84	127 1/2	147	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
148	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	148	5 1/2	74 Jun	124	1 Jun 84	127 1/2	148	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
149	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	149	5 1/2	74 Jun	124	1 Jun 84	127 1/2	149	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
150	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	150	5 1/2	74 Jun	124	1 Jun 84	127 1/2	150	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
151	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	151	5 1/2	74 Jun	124	1 Jun 84	127 1/2	151	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
152	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	152	5 1/2	74 Jun	124	1 Jun 84	127 1/2	152	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
153	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	153	5 1/2	74 Jun	124	1 Jun 84	127 1/2	153	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
154	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	154	5 1/2	74 Jun	124	1 Jun 84	127 1/2	154	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
155	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	155	5 1/2	74 Jun	124	1 Jun 84	127 1/2	155	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
156	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	156	5 1/2	74 Jun	124	1 Jun 84	127 1/2	156	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
157	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	157	5 1/2	74 Jun	124	1 Jun 84	127 1/2	157	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
158	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	158	5 1/2	74 Jun	124	1 Jun 84	127 1/2	158	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
159	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	159	5 1/2	74 Jun	124	1 Jun 84	127 1/2	159	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
160	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	160	5 1/2	74 Jun	124	1 Jun 84	127 1/2	160	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
161	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	161	5 1/2	74 Jun	124	1 Jun 84	127 1/2	161	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
162	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	162	5 1/2	74 Jun	124	1 Jun 84	127 1/2	162	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
163	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	163	5 1/2	74 Jun	124	1 Jun 84	127 1/2	163	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
164	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	164	5 1/2	74 Jun	124	1 Jun 84	127 1/2	164	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
165	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	165	5 1/2	74 Jun	124	1 Jun 84	127 1/2	165	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
166	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	166	5 1/2	74 Jun	124	1 Jun 84	127 1/2	166	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
167	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	167	5 1/2	74 Jun	124	1 Jun 84	127 1/2	167	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
168	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	168	5 1/2	74 Jun	124	1 Jun 84	127 1/2	168	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
169	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	169	5 1/2	74 Jun	124	1 Jun 84	127 1/2	169	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
170	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	170	5 1/2	74 Jun	124	1 Jun 84	127 1/2	170	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
171	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	171	5 1/2	74 Jun	124	1 Jun 84	127 1/2	171	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
172	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	172	5 1/2	74 Jun	124	1 Jun 84	127 1/2	172	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
173	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	173	5 1/2	74 Jun	124	1 Jun 84	127 1/2	173	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
174	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	174	5 1/2	74 Jun	124	1 Jun 84	127 1/2	174	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
175	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	175	5 1/2	74 Jun	124	1 Jun 84	127 1/2	175	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
176	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	176	5 1/2	74 Jun	124	1 Jun 84	127 1/2	176	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
177	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	177	5 1/2	74 Jun	124	1 Jun 84	127 1/2	177	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
178	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	178	5 1/2	74 Jun	124	1 Jun 84	127 1/2	178	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
179	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	179	5 1/2	74 Jun	124	1 Jun 84	127 1/2	179	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
180	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	180	5 1/2	74 Jun	124	1 Jun 84	127 1/2	180	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
181	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	181	5 1/2	74 Jun	124	1 Jun 84	127 1/2	181	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
182	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	182	5 1/2	74 Jun	124	1 Jun 84	127 1/2	182	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
183	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	183	5 1/2	74 Jun	124	1 Jun 84	127 1/2	183	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
184	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	184	5 1/2	74 Jun	124	1 Jun 84	127 1/2	184	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
185	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	185	5 1/2	74 Jun	124	1 Jun 84	127 1/2	185	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
186	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	186	5 1/2	74 Jun	124	1 Jun 84	127 1/2	186	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
187	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	187	5 1/2	74 Jun	124	1 Jun 84	127 1/2	187	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
188	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	188	5 1/2	74 Jun	124	1 Jun 84	127 1/2	188	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
189	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	189	5 1/2	74 Jun	124	1 Jun 84	127 1/2	189	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
190	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	190	5 1/2	74 Jun	124	1 Jun 84	127 1/2	190	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2
191	Anglo Am	5 1/2	74 Jun	124	1 Jun 84	127 1/2	129	191	5 1/2	74 Jun	124	1 Jun 84	127 1/2	191	Anglo Am	5 1/2	74 Jun	124		

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

369	Enders NY 255.13	1729	94 Jul	28	28 Sep	7	7 Oct	608	8 130	2 246	474	30
370	Enders NY 255.13	1729	94 Jul	28	28 Sep	7	7 Oct	608	8 130	2 246	474	30
371	South Coast Calif 61.26	1729	97 Aug	123	7 Dec	13	13 Jan	imply			4.31	10
372	Texas Eastern Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
373	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
374	Southern Electric Co	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
375	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
376	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
377	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
378	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
379	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
380	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
381	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
382	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
383	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
384	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
385	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
386	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
387	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
388	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
389	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
390	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
391	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
392	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
393	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
394	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
395	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
396	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
397	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
398	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
399	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10
400	Southwest Electric	1729	94 Mar	7	1 Dec	10	10 Dec	Y 100	220	300	4.31	10

– Explanation of Symbols

CMS	Canadian Dollar	SDR	Special Drawing Rights
ECU	European Currency Unit	Y	Yen
EUA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SFR	Swiss Franc
DM	Deutsche Mark	FF	French Franc

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IS ICAHN FOR REAL?

Can Carl Icahn really finance his proposed first-step partial tender offer for Phillips? Can he borrow \$4.2 billion?

We don't think so, even though Drexel Burnham says it is "highly confident."

Read his proposal carefully. Icahn admits he will not buy your stock until:

1. He raises the money
2. He eliminates your "Fair Value" Rights by having them redeemed or otherwise
3. He defeats the Recapitalization

We think his conditions cannot be met.

IF YOU WANT THE BENEFITS OF THE RECAPITALIZATION NOW, VOTE FOR IT NOW! Phillips Board of Directors has unanimously rejected the Icahn two-tier takeover proposal and believes that the Recapitalization is the best deal for you.

Time is growing short. Please sign, date and mail Phillips **WHITE** proxy card or follow the Datagram procedure outlined below.

If you need further information on voting, including instructions on voting by Toll-Free Datagram, call the Company toll-free at (800) 431-2624. You may also call **D. F. King & Co.** collect, at (212) 269-5550 in New York, (312) 236-5881 in Chicago, (415) 788-1119 in San Francisco, or (213) 215-3860 in Los Angeles.

TOLL-FREE DATAGRAM VOTING PROCEDURE

Phillips has established the following simple toll-free telephone procedure which, if you are a shareholder of record, you may use to vote your shares:

- Call Western Union toll-free 1-800-325-6000 any time day or night (in Missouri only, dial 1-800-342-6700).
- Tell the Western Union operator to send a pre-paid Datagram to Phillips Petroleum Company, I.D. #F 7014.
- Read the following text of the proxy card:

PHILLIPS PETROLEUM COMPANY
Bartlesville, Oklahoma 74004

Special Meeting of Stockholders To Be Held Friday, February 22, 1985.
This Proxy is Solicited by the Board of Directors.

The undersigned hereby appoints Wm. C. Douce, Melvin R. Laird and W. Clarke Wescoe, or any of them, with individual power of substitution, proxies to vote all shares of common stock of Phillips Petroleum Company which the undersigned may be entitled to vote at the special meeting of stockholders to be held in the Adams Building, 4th Street and Keeler Avenue, Bartlesville, Oklahoma, on February 22, 1985, at 10:00 A.M., CST, and at any and all adjournments and postponements thereof as indicated below.

THE BOARD OF DIRECTORS UNANIMOUSLY
RECOMMENDS A VOTE "FOR" THE PROPOSAL.

☐ FOR ☐ AGAINST ☐ ABSTAIN

1. A proposal to approve a recapitalization as set forth in the Proxy Statement-Prospectus of Phillips Petroleum Company (the "Company") dated January 31, 1985, pursuant to which: (i) the Company's Certificate of Incorporation (the "Certificate") would be amended to reclassify each outstanding share of the Company's common stock, \$1.25 par value (the "Common Shares"),

into .62 of a Common Share, plus one share of a new class of exchangeable preferred stock, \$1.00 par value, of the Company which will be exchanged immediately after issuance for debt securities of the Company; (ii) the Certificate would be amended to increase the number of authorized Common Shares from 200 million to 300 million and to authorize 200 million shares of preferred stock; (iii) the Certificate would be amended to provide for classification of the Board of Directors, elimination of the ability of stockholders to act by written consent and certain related matters; (iv) the current directors of the Company would be classified into three classes numbering six, five and five directors, respectively, with terms ending at the Company's Annual Meetings in 1985, 1986 and 1987, respectively; and (v) the Company would create an Employee Incentive Stock Ownership Plan (the "EISOP") and sell not more than 32 million Common Shares to the EISOP at the market price thereof.

2. In accordance with their best judgment upon all such other matters necessary in connection with the foregoing proposal as may properly come before the Special Meeting or any adjournment or postponement thereof.

This proxy will be voted in accordance with the specification made for the proposal. If no specification is made, this proxy will be voted FOR the proposal.

- Tell the operator how you wish to vote your Phillips shares. Management recommends a vote "FOR" the proposed Recapitalization.
- Give the operator your name and address exactly as they appear on the proxy cards previously sent to you.

NOTE: If your shares are registered in "street name" with a brokerage firm or bank, you may not vote your shares by the Datagram procedure. In this case, please telephone the party at the brokerage firm or bank responsible for your account and make arrangements to vote your shares immediately.

Sales in						Net						Sales
Low	Close	High	Low	Close	Ch'ge	Low	Close	High	Low	Close	Ch'ge	100's

100-443887-100

Chicago Exchange Options

For the Week Ending Feb. 15, 1985

[illegible]

Over

DATE	TIME	FROM	TO	FARE	TAXES	TOTAL
12/15	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/16	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/17	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/18	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/19	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/20	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/21	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/22	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/23	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/24	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/25	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/26	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/27	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/28	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/29	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00
12/30	10:00	MANAGUA	NEW YORK	\$150.00	\$10.00	\$160.00
12/31	10:00	NEW YORK	MANAGUA	\$150.00	\$10.00	\$160.00

To our
in

Since N
Internation
arrived in M
ever, thanks
the Spanish
Administra
An early
postal flight
paper to Ma
to newsstan
Early me
is also availa
city at no ad
For info
Salvador
Juan Hu
28036 M
Tel.: 250

Herald

